COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

Sec Registration Number

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COMPANY NAME

GLOBAL-ESTATE RESORTS, INC.

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

9TH FLOOR EASTWOOD GLOBAL PLAZA
PALM TREE AVENUE BAGUMBAYAN
1110 QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
lvvillanueva@global-estate.ph	5-328-4370	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,128	Last Thursday of June	December-31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
LAILANI V. VILLANUEVA	lvvillanueva@global-estate.ph	5-328-4370	N/A

CONTACT PERSON'S ADDRESS

9/F Eastwood Global Plaza, Palm Tree Ave., Eastwood City, Bagumbayan, Quezon City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

SEC Number: AS 094-004462
File Number: __________

GLOBAL-ESTATE RESORTS, INC.
(Company's Full Name)

9th Floor, Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City
(Company's Address)

SEC Form 17 - A Annual Report
(Form Type)

(Amendments – if applicable)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

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

2. SEC Identification Number **AS 094-004462**

3. BIR Tax Identification No. **000-426-523**

4. Exact name of issuer as specified in its charter **GLOBAL-ESTATE RESORTS, INC.**

5. **Quezon City, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
   Industry Classification Code:

7. **9th Floor, Eastwood Global Plaza, Palm Tree Avenue Eastwood City, Bagumbayan, Quezon City** — **1110**
   Address of principal office — Postal Code

8. **(632) 5328-4370 to 78**
   Issuer's telephone number, including area code

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**10,986,000,000**
Outstanding debts (loans)	**9,512,119,109**

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

    Yes [**X**] No [ ]

    Name of Stock Exchange: Philippine Stock Exchange
    Class of securities listed: Common Stocks

    10,986,000,000 common shares have been listed with the Philippines Stock Exchange as of December 31, 2024.

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**X**]   No [ ]

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

Yes [**X**]   No [ ]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

P 1,228,265,399.68 (as of December 31, 2024) based on the closing price of Php0.64 per share

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ]   No [ ]   **Not Applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

<u>2024 Audited Consolidated Financial Statements</u> (incorporated as reference for Item 7 of SEC Form 17-A)

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Business Development

Global-Estate Resorts, Inc. ("**GERI**" or the "**Company**") was incorporated on 18 May 1994 as Fil-Estate Land, Inc. to engage in real estate development. The Company went public in November 1995 when its common shares were listed in the Philippine Stock Exchange (PSE).

In 2011, Alliance Global Group, Inc. ("**AGI**") acquired a majority stake in the Company and re-branded it as Global-Estate Resorts, Inc. to engage in the development of integrated tourism and leisure estates.

In 2014, GERI was consolidated under Megaworld Corporation when the latter acquired AGI's stake in the Company.

Description of Business

The Company is primarily engaged in the development of integrated tourism and leisure estates and integrated lifestyle communities consisting of residential, retail, hotel and/or leisure components in natural resort settings. Its key developments are Boracay Newcoast in Malay, Aklan, Twin Lakes in Laurel, Batangas, Sta. Barbara Heights in Iloilo, Southwoods City in Laguna and Cavite, Alabang West in Las Piñas, Metro Manila, Eastland Heights in Antipolo City, Rizal, The Hamptons Caliraya in Lumban-Cavinti, Laguna, Arden Botanical Estate in Trece and Tanza, Cavite, Sherwood Hills in Trece, Cavite, The Fifth in Pasig City, Metro Manila, and Lialto Beach and Golf Estates in Lian, Batangas. The Company undertakes its development business by itself or in joint venture with landowners. Among the Company's subsidiaries are joint venture corporations: i) Twin Lakes Corporation ("**TLC**"), which was incorporated on 02 March 2011 to develop Twin Lakes in Laurel, Batangas; ii) Oceanfront Properties, Inc. ("**OPI**"), which was incorporated on 12 October 2010 to develop parts of Boracay Newcoast; and iii) Southwoods Mall, Inc. ("**SMI**"), which was incorporated on 18 July 2013 to develop the Southwoods Mall and Office Towers in Southwoods City.

The Company's developments are marketed by Megaworld Global-Estate, Inc. (**"MGEI"**), a subsidiary incorporated on 14 March 2011, and by the Company's in-house marketing group.

The Company's hotel developments in Boracay and Twin Lakes are operated by its subsidiaries Twin Lakes Hotel, Inc. (incorporated on 28 September 2018), Savoy Hotel Boracay, Inc. (incorporated on 24 January 2017), Belmont Hotel Boracay, Inc. (incorporated on 18 March 2019), and Fil-Estate Urban Development Corporation (incorporated on 6 March 2000).

Prior to 2011, the Company's subsidiaries Global-Estate Properties, Inc. (*formerly known as Fil-Estate Properties, Inc. or* "**GEPI**") and Global-Estate Golf and Development, Inc. *(formerly known as Fil-Estate Golf and Development, Inc. or*

"**GEGDI**"), incorporated on 13 February 1990 and 06 March 1990, respectively, had engaged in the development of residential subdivisions, condominium buildings, commercial lots, and golf clubs.

Bankruptcy, Receivership or Similar Proceedings

Neither the Company nor its significant subsidiaries have been involved in bankruptcy, receivership or similar proceeding.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

On 31 December 2019, GEPI sold 100% ownership interest in Boracay Newcoast Hotel Group, Inc., a hotel development company incorporated on 17 July 2012.

Products

GERI together with its subsidiaries (the "**GERI Group**" or the **"Group"**) have a diversified real estate inventory including residential and commercial lots, residential house and lots, residential condominium units, condominium hotel units, and golf club shares.

Percentage of sales or revenues and net income contributed by foreign sales

Sales to the foreign market accounted for 10% of the consolidated real estate sales for the year 2024.

Distribution Methods of Products

Real estate products in GERI developments are promoted and marketed to a wide range of clients by GERI's in-house marketing group and marketing subsidiary, MGEI. Real estate products in GEPI and GEGDI developments are sold thru third party real estate brokers.

Suppliers

The Company has a broad base of suppliers. The Company is not dependent on one or a limited number of suppliers.

Customers

GERI has a broad market base that consists of end-users and investors, both from the local and foreign markets.

The Company targets the Class A and B markets with special niche products such as integrated tourism and leisure estates and integrated lifestyle communities with residential, commercial and leisure components.

Competition

Significant competitors of the Company in its real estate development business include Ayala Land Premiere, Alveo, Filinvest Premiere, Landco, and SM Prime.

The Company competes with other developers in the acquisition of land or development rights to land in key growth areas in the country.

The Company aims to be the leading developer of integrated tourism and leisure estates in the Philippines. The Company's tourism projects are strategically located in Boracay, Laurel and Lian, Batangas and Cavinti, Laguna and feature strategic master-planned communities integrated with resort amenities.

The Company believes that its land bank, real estate development experience, innovative real estate offerings, and the solid financial backing of its parent, Megaworld Corporation, are its competitive advantages. Its massive landbank in tourist destinations such as Boracay Island, and Laurel, Lian and Nasugbu, Batangas gives it a lead over its competitors and has enabled the Company to be a pioneer in master-planned integrated tourism developments.

Transactions with and/or dependence on related parties

The Company has a Policy on Related Party Transactions. The Company and its subsidiaries, in their regular conduct of business, have entered into transactions with associates and related parties including investments in and advances granted to or obtained from subsidiaries, associates, and other related parties for purposes of working capital requirements. For more information, see Note 25 to the Audited Financial Statements.

Amount spent on research and development activities and its percentage to revenues

The Company incurs minimal amounts for development research activities, which do not amount to a significant percentage of revenues.

Intellectual Property

The Company believes that its operations and that of its subsidiaries are not dependent on any trademark, patent, copyright, license, franchise, or royalty agreement. Nonetheless, the Company has trademark registrations and/or applications for its corporate name and key projects.

Government Approvals / Regulations

The Company secures various government approvals such as the Environmental Compliance Certificate, development permits, license to sell, etc. as part of the normal course of its business.

Development Permit and License to Sell

Prior to the enactment of Republic Act No. 11201, otherwise known as the "Department of Human Settlements and Urban Development Act", on 14 February 2019, Housing and Land Use Regulatory Board ("**HLURB**") was the planning, regulatory and quasi-judicial national government body tasked to regulate land use and real estate and housing development.

With the enactment of RA 11201, the Department of Human Settlement and Urban Development ("**DHSUD**") is now the primary national government entity responsible for the management of housing, human settlement, and urban development.

DHSUD is the sole and main planning and policy-making, regulatory, program coordination and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. One of its regulatory functions include the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums, and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws.

DHSUD is a merger of the Housing and Urban Development Coordinating Council (HUDCC) and the HLURB, with the former becoming defunct and the latter reorganized as the Human Settlements Adjudication Commission (HSAC).

A registered owner or developer of a parcel of land who wishes to convert the same into a subdivision project shall apply with the Local Government Unit ("**LGU**") concerned for the approval of subdivision Development Permit. The owner/developer shall subsequently apply for Certificate of Registration and License to Sell with HLURB, now DHSUD, prior to the selling of units/house or lots.

On the other hand, an owner/developer of a condominium project is required to apply for Development Permit, Certificate of Registration and License to Sell with the HLURB, now DHSUD, prior to actual development and selling of units therein.

Agrarian Reform Law

The Comprehensive Agrarian Reform Law, as amended, covers all public and private agricultural lands as provided in Proclamation No. 131 and Executive Order No. 229. More specifically, with respect to private lands, all private lands devoted to or suitable to agriculture regardless of the agricultural products raised or that can be raised thereon, are covered by the Comprehensive Agrarian Reform Program (CARP). No person may own or retain, directly or indirectly, any public or private agricultural land, in excess of five (5) hectares. A limit of three (3) hectares may be awarded to each child of the landowners, subject to certain qualifications. The law allows the conversion of agricultural lands to non-agricultural use when the land ceases to be economically feasible and sound for agricultural purposes. Furthermore, the Department of Agrarian Reform Administrative Order No. 01 s. 1990 provides that any such classification or re-classification made after 15 June 1988 shall be subject to Department of Agrarian Reform ("**DAR**") approval. While pursuant to the aforementioned law, the issuance of notices of coverage of CARP has effectively expired on June 30, 2014, any case and/or proceeding involving the implementation of the said law, which may remain pending on June 30, 2014 shall be allowed to proceed to its finality and be executed even beyond such date.

Environmental Compliance Certificate

Any project in the Philippines that poses a potential environmental risk or impact (e.g., golf courses, beach resorts, developments adjacent to watershed areas, etc.) is required to secure an Environmental Compliance Certificate ("**ECC**") from the Department of the Environment and Natural Resources – Environmental Management Board ("**DENR-EMB**").

An ECC is issued by DENR-EMB after a positive review of the project's application. This certificate indicates that the proposed project or undertaking will not cause a significantly negative impact on the Philippine environment. The ECC contains specific measures and conditions that must be met by the project proponent before and during the operation of the project. In some cases, conditions are listed to be performed during the project's abandonment phase to lessen identified potential environmental impacts.

An ECC also certifies that the proponent has complied with all the requirements of the Environmental Impact Statement (EIS) System and has committed to implement its approved environmental management plan. Compliance with the terms and conditions of the ECC is monitored by the appropriate DENR regional office and failure to comply may lead to penalties and sanctions being imposed, including fines and/or temporary cessation of project operation.

Effect of Existing and Probable Government Regulations

Republic Act No. 7279 ("**Urban Development Housing Act**"), as amended by Republic Act 10884 ("**Balanced Housing Development Program Amendments**"), requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost and at least 5% of condominium area or project cost, at the option of the developer, in accordance with the standards as provided by law. DHSUD regulations allow the developer an option to comply by way of a non-salable, non-recoverable participation based on a percentage of the foregoing investment requirement.

Tax Regulations

On 26 March 2021, Republic Act No. 11534 or the "Corporate Recovery and Tax incentives for Enterprises Act" (CREATE) was signed into law. The following are the major changes to the National Internal Revenue Code of 1997 (NIRC) brought about by the CREATE Act that are relevant to and considered by the Group:

a. Regular Corporate Income Tax (RCIT) rate was reduced from 30% to 25% , or 20% subject to certain qualifications, starting 01 July 2020.

b. Repeal of the 10% Improperly Accumulated Earnings Tax (IAET).

On 22 January 2024, Republic Act No. 11976 or the "Ease of Paying Taxes Act" (EOPT) took effect amending certain provisions of the NIRC. Various regulations implementing the EOPT were promulgated in 2024.

The Maceda Law

Republic Act No. 6552, otherwise known as the Maceda Law, applies to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial and commercial lots). Under the provisions of the law, buyers of real estate who have paid at least two years of installments are granted a grace period to cure the default, at the rate of one month for every year of installment payments made, exercisable only once every 5 years. If the contract is cancelled, the seller shall refund at least 50% of the payments made, with an additional 5% every year in cases where at least 5 years of installments have been paid (but with a total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments are entitled to a grace period of 60 days to cure the default, but without a right of refund.

Zoning and Land Use

The Department of Agrarian Reform (DAR) has issued regulations to implement the provisions of the Agrarian Reform Law in the Philippines. Under the law, all land classified for agricultural purposes as of or after 1 June 1988 cannot be converted to non-agricultural use without the prior approval of the DAR.

Land use may also be limited by the zoning ordinances of Local Government Units. Lands may be classified as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (ECC) prior to commencement of development. The Department of Environment and Natural Resources (DENR) through its regional offices or through the Environmental Management Bureau (EMB), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (EIS) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (IEE) to the proper DENR regional office.

GERI has an environmental compliance team that monitors and maintains compliance by its developments with applicable Philippine environmental laws and regulations.

There are no compliance issues, which would have a material effect on GERI's capital expenditures, earnings or competitive position in the property market.

Anti-Money Laundering Act

Pursuant to the Anti-Money Laundering Act of 2001 (AMLA), as amended by Republic Act No. 11521 (effective 30 January 2021), real estate developers (REDs) are covered institutions. Thus, REDs are required to report covered and suspicious transactions to the AMLC within the period prescribed by the law and its implementing rules and regulations. For REDs, a covered transaction involves a single cash transaction involving an amount in excess of Php7,500,000.00 or its equivalent in any other currency. Suspicious transactions are as defined under the AMLA and under Republic Act No. 10168 or the Terrorism Financing Prevention and Suppression Act of 2012, and their respective implementing rules and regulations.

Employees

As of 31 December 2024, GERI Group has a total of 1,084 employees, divided into:

Top Management	-	13
Middle Management	-	175
Rank and File	-	896

The Company expects to increase its number of employees in the next 12 months in accordance with operational requirements.

The employees are not subject to any collective bargaining agreements. There has been no employee union since the start of Company's operations.

In addition to basic salary and 13th month pay, other supplemental benefits provided by GERI to its employees include: retirement benefits as mandated by law, vacation and sick leave benefits, rice subsidy, and HMO health care coverage.

Risk Factors Relating to the Company

Highly Competitive Business Environment

The Company faces increased competition from other developers who undertake residential subdivisions and vertical residential, commercial and office projects, particularly in key cities of the Philippines where several of the Company's present and future projects are located.

Notwithstanding increased competition in the industry, GERI intends to enhance its position as one of the leading property developers of integrated tourism estates in the Philippines. The track record of the Company and the Megaworld Group and the Company's strategic land bank are perceived to be major advantages against this anticipated growth in competition.

Demand for Real Estate Developments

The Company engages, among others, in the development of integrated tourism and leisure estates as well as integrated lifestyle communities. Demand for real estate developments tends to be affected by any long-term economic downturn and political instability in the country.

The Company engages in the development of mixed-use developments in different market segments and geographic areas in order to diversify its real estate portfolio.

Limitations on Land Acquisition

As other developers race to acquire choice locations, it may become more difficult to locate parcels of suitable size in location and at prices acceptable to the Company that will enhance its present land bank. In this regard, the Company continues to explore joint ventures as an alternative to building its land bank and identifying properties that can be developed under project agreements with landowners.

Legal Issues or Disputes on Properties

There are legal disputes pertaining to some of the Company's real estate properties but these disputes are not expected to significantly impact the Company's business or financial condition.

Government Approvals, Licenses and Permits

The implementation of projects requires various government permits, approval and clearances from various municipal, city, regional and national government authorities and offices, such as, among others, the Development Permit, Certificate of Registration, License to Sell and in certain instances, the Environmental Compliance Certificate. Accordingly, any delays in obtaining such government permits, approvals and clearances may affect the Company's projects. The Company routinely applies for governmental approvals required for its development projects.

Political and Economic Factors

In general, the profitability of the Company depends on the overall demand for Company's products, which in turn is affected by political and economic factors. Any political instability in the future may have a negative effect on the viability of real estate companies. Economic factors such as substantial increases in interest and financing costs may dampen the overall demand for Company's products in the future, thus affecting the Company's profitability.

Credit Risk

Generally, the Group's credit risk is attributable to trade receivables, advances to related party and other financial assets. The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

The Group transfers title to buyers over its inventory only after full payment. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position.

Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows arising from day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection.

Long-term needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Interest Rate Risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates.

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

Foreign Exchange Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposure to currency exchange rates arises mainly from the Group's U.S. dollar-denominated cash and cash equivalents, which have been used to fund new projects.

In Management's assessment, the foreign currency risks related to these U.S dollar-denominated cash and cash equivalents are not material.

As of December 31, 2024, the Group has no outstanding foreign denominated loans.

ITEM 2. PROPERTIES

The GERI Group has a landbank of approximately 2,639 hectares.

These land bank held for future development are strategically located in various parts of the country, but a large portion is located in Sta. Barbara in Iloilo, Boracay, Laurel, Lian and Nasugbu in Batangas, Southwoods, Laguna, Cagayan de Oro, Cavite, Antipolo, Rizal, and Cavinti, Laguna.

The inventory portfolio of the Company consists mainly of inventory also strategically located in various parts of the country but mainly in Iloilo, Boracay, Laurel in Batangas, Laguna, Cavite, Antipolo, Rizal, Pasig, and Las Piñas. Real estate and golf club and resort shares for sale and land held for future development are valued at the lower of cost or net realizable value in conformity with PAS 2 "Inventories". Cost includes the acquisition cost of the land plus all costs directly attributable to the acquisition for projects where the Company is the landowner, and includes actual development cost incurred up to balance sheet date for projects where the Company is the developer. Net realizable value is the selling price in the ordinary course of business less cost to complete and to market. A valuation allowance is provided for real estate and golf club and resort shares for sale and land held for future development when the net realizable values of the properties are less than the carrying costs.

The GERI Group has adequate land bank for its long-term development requirements. It is, however, open to new land acquisitions in strategic growth areas. Funding for these acquisitions will be internally generated.

In 2018, GERI Group adopted PIC Q&A 2018-11, Classification of Land by Real Estate Developer, retrospectively. PIC Q&A 2018-11 requires real estate developers to classify land based on management's intention and apply the appropriate accounting treatment as required by relevant standards. In previous years, land, including other costs and expenses related to the transfer of title of the property, were presented as Land for Future Development and only reclassified to Property Development Costs account (a real estate inventory account), when the development of the property starts. Upon the adoption of PIC Q&A 2018-11, parcels of land with no definite plan of future use were reclassified to Investment Property and parcels of land with intention by management to develop into residential or commercial properties for sale were reclassified to Real Estate for Sale.

The GERI Group has real estate inventories in its various developments including the following:

PROJECT NAME	LOCATION	LIMITATIONS ON OWNERSHIP	DEVELOPER
LUZON			
A. Metro Manila			
Alabang West	Las Piñas City	Joint Venture	GERI
The Fifth	Pasig City	Joint Venture	GERI
8 Sto. Domingo Place	Quezon City	Joint Venture	GEPI
Cathedral Heights	Quezon City	Joint Venture	GEPI/FEUDC

Capitol Plaza	Quezon City	Co-development	GEPI
B. Laguna			
Holland Park	Biñan, Laguna	Joint Venture	GERI
Tulip Gardens	Biñan, Laguna	Joint Venture	GERI
The Hamptons Caliraya	Cavinti, Laguna	Joint Venture	GERI
Caliraya Springs	Cavinti, Laguna	Joint Venture	GEPI
Riverina	San Pablo City	Joint Venture	GEPI
C. Cavite			
Arden Botanical Estate	Trece Martires City, Cavite	Joint Venture	GERI
Pahara at Southwoods	GMA, Cavite	Joint Venture	GERI
The Upland Estates	GMA, Cavite	Joint Venture	GERI
Holiday Homes	Gen. Trias, Cavite	Joint Venture	GEPI
Mango Orchard Plantation	Naic, Cavite	Joint Venture	GEPI
Manila Southwoods	Carmona and GMA Cavite	Joint Venture	GEGDI/GEPI
Sherwood Hills	Trece Martires City, Cavite	Joint Venture	GEPI/GERI
D. Batangas			
Domaine Le Jardin	Laurel, Batangas	None	Twin Lakes
Lucerne at Domaine Le Jardin	Laurel, Batangas	None	Twin Lakes
Vineyard Residences	Laurel, Batangas	None	Twin Lakes
The Belvedere	Laurel, Batangas	None	Twin Lakes
Vineyard Manor	Laurel, Batangas	None	Twin Lakes
Countrywoods	Laurel, Batangas	None	Twin Lakes
Magnificat Executive Village	Lipa, Batangas	Joint Venture	GEPI
Lialto Beach and Golf Estates	Lian, Batangas	Joint Venture	GEPI
Nasugbu Harbour Town	Nasugbu, Batangas	Joint Venture	GEPI
Residencia Lipa	Lipa, Batangas	Joint Venture	GEPI
Palmridge Point	Talisay, Batangas	Joint Venture	GEPI
Windsor Heights	Tagaytay	Joint Venture	GEPI
E. Bulacan			
Goldridge Estate	Guiguinto, Bulacan	Joint Venture	GEPI
Plaridel Heights	Plaridel, Bulacan	Joint Venture	GEPI
F. Antipolo City			
Eastland Heights	Antipolo City	Joint Venture	GEPI/GERI
G. Naga City, Camarines Sur			
Monte Cielo De Naga	Naga City	Joint Venture	GEPI
Monte Cielo De Peñafrancia	Naga City	Joint Venture	GEPI
H. Quezon			
Puerto Del Mar	Lucena City	Joint Venture	GEPI
VISAYAS			
I. Malay, Aklan			
Belmont Hotel Boracay	Malay, Aklan	None	GERI
Chancellor Hotel Boracay	Malay, Aklan	None	GERI
Newcoast Boutique Hotel	Malay, Aklan	Joint Venture	GERI/OPI
Newcoast Shophouse District	Malay, Aklan	Joint Venture	GERI/OPI
Newcoast Village	Malay, Aklan	None	OPI
Oceanway Residences	Malay, Aklan	None	GERI
Ocean Garden Villas	Malay, Aklan	None	GERI
Savoy Hotel Boracay	Malay, Aklan	None	GERI

Fairways & Bluewater	Boracay, Aklan	None	GEPI
J. Iloilo			
Sta. Barbara Heights Residential Estate (Phase 1, 2 & 3)	Sta. Barbara, Iloilo	Joint Venture	GERI
Sta. Barbara Heights Shophouse District	Sta. Barbara, Iloilo	Joint Venture	GERI
MINDANAO			
K. Cagayan De Oro			
Mountain Meadows	Cagayan De Oro	Joint Venture	GEPI

The GERI Group has hotel properties in Boracay and Laurel, Batangas as listed below:

A. Fairways and Bluewater Villas in Boracay, Malay, Aklan

B. Savoy Hotel Boracay in Boracay Newcoast, Malay, Aklan

C. Belmont Hotel Boracay in Boracay Newcoast, Malay, Aklan

D. Chancellor Hotel Boracay in Boracay Newcoast, Malay, Aklan

E. Twin Lakes Hotel in Laurel, Batangas

The GERI Group has retail and office buildings for lease, as listed below:

BUILDING NAME	LOCATION
Alabang West Parade	Las Piñas City
Southwoods Mall	Biñan, Laguna
Southwoods Office Towers	Biñan, Laguna
Twin Lakes Shopping Village	Laurel, Batangas
Renaissance 1000 (Office Tower)	Pasig City
D'Olive	Antipolo City
Newcoast Beachwalk	Malay, Aklan

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are parties to certain lawsuits or claims arising from the ordinary course of business. The management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements, and thus, no provision has been made for these contingent liabilities.

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

Aside from the matters taken up during the Annual Meeting of Stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

Market price information

The common shares of the Company are traded on the Philippine Stock Exchange ("**PSE**") under the symbol of GERI.

	Philippine Stock Exchange	
	Closing Price per Share (₱) 0.64 as of December 31, 2024	
2025	**High**	**Low**
First Quarter	0.58	0.50
2024	**High**	**Low**
First Quarter	0.94	0.80
Second Quarter	0.89	0.89
Third Quarter	0.75	0.70
Fourth Quarter	0.64	0.60
2023	**High**	**Low**
First Quarter	0.91	0.89
Second Quarter	0.89	0.84
Third Quarter	0.87	0.79
Fourth Quarter	0.95	0.80
2022	**High**	**Low**
First Quarter	0.94	0.89
Second Quarter	0.92	0.83
Third Quarter	0.96	0.84
Fourth Quarter	0.93	0.93

The market capitalization of GERI as of 31 December 2024 based on the closing price at Php 0.64 per share of GERI's shares at that date, was approximately Php7.031 billion. The price information as of the close of the latest practicable trading date March 31, 2025 is Php 0.58 per share.

Stockholders

GERI has a total of about 4,128 common shareholders as of December 31, 2024.

TOP 20 STOCKHOLDERS AS OF DECEMBER 31, 2024

	STOCKHOLDER'S NAME	NO. OF SHARES	% OF OWNERSHIP
1	MEGAWORLD CORPORATION*	9,062,994,139	82.49
2	PCD NOMINEE CORPORATION (FILIPINO)	1,463,431,595	13.321
3	PRYCE CORPORATION	212,834,000	1.937
4	PGI RETIREMENT FUND, INC	70,254,500	0.639
5	FIL-ESTATE MANAGEMENT INC.	38,000,159	0.346
6	F. YAP SECURITIES, INC.	32,947,000	0.300
7	JOSEFINA MULTI-VENTURES CORPORATION	22,682,500	0.206
8	PCD NOMINEE CORPORATION (FOREIGN)	16,687,591	0.152
9	GREENFIELD DEVELOPMENT CORPORATION	8,640,000	0.079
10	JOHN T. LAO	8,000,100	0.073
11	THE ANDRESONS GROUP INC.	8,000,000	0.073
12	LUCIO W. YAN	5,755,000	0.052
13	ROMEO G. ROXAS	3,716,000	0.034
14	AVESCO MARKETING	3,512,106	0.032
15	WILBUR L. CHAN	2,611,825	0.024
16	GILMORE PROPERTY MARKETING ASSOCIATES, INC.	1,983,000	0.018
17	FEDERAL HOMES, INC.	1,939,860	0.018
18	FRITZ L. DY	1,813,500	0.017
19	DYNALAND PROPERTIES & DEVELOPERS, INC.	1,700,001	0.015
20	MAXIMINO S. UY &/OR LIM HUE HUA	1,478,400	0.013

Includes direct (9,035,638,139) and indirect (27,356,000) shares

Dividends

With respect to dividend declaration, the Company is guided by the provisions of the Revised Corporation Code of the Philippines (RCCP) and relevant issuances of the Securities and Exchange Commission. Payment of dividends, either in the form of cash or stock, will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Company with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the

Board of Directors and at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.

The RCCP prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividends without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation.

The retained earnings account as of December 31, 2024 amounting to Php 18.4 billion, December 31, 2023 amounting to Php 17.7 billion, and Php 16.0 billion in December 31, 2022, are restricted from being declared as dividends to the extent of the undistributed net earnings of subsidiaries and associates. In 2023, the Company declared and paid cash dividends amounting to P 124.1 million. No declaration of cash dividends was made in 2024 and 2022.

Recent Sales of Unregistered or Exempt Securities (including recent issuance of securities constituting an exempt transaction)

In 2011, the Board of Directors of the Company approved an Executive Stock Option Plan (ESOP). From 2012 to 2016, the Company granted the option to its key company directors and executives to subscribe to a total of 400 million shares of the Company. The ESOP expired on 16 June 2023. As of that time, none of the Option Holders exercised the options granted to them under the ESOP, and no underlying shares have been subscribed nor fully paid for by the Option Holders in connection therewith. Thus, as of 31 December 2024, no unexercised options remain valid under the ESOP.

No underwriters were involved in the sales of the above unregistered or exempt securities.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Key Performance Indicators

LIQUIDITY RATIOS

	December 31, 2024	December 31, 2023 as restated	January 1, 2023 as restated
Current Ratio	4.52	4.86	4.39
Quick Assets Ratio	1.97	1.83	1.70

Current Ratio (Current Assets/Current Liabilities)
Liquidity ratio that measures a company's ability to pay short-term obligations.

Quick Assets Ratio (Total Current Assets less Inventories and Other Current Assets/ Current Liabilities)

It measures a company's ability to meet its short-term obligations with its most liquid assets.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2024	December 31, 2023 as restated	January 1, 2023 as restated
Debt to Total Assets	35%	35%	33%
Equity to Total Assets	65%	65%	67%
Debt to Equity	54%	55%	50%
Asset to Equity	1.54	1.55	1.50

Debt to Total Assets
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/Total Owner's Equity)
It measures the company's leverage.

ACTIVITY RATIOS

	December 31, 2024	December 31, 2023 as restated	January 1, 2023 as restated
Assets Turnover	9.36%	10.53%	10.29%

Assets Turnover
It measures the level of capital investment relative to sales volume.

PROFITABILITY RATIOS

	December 31, 2024	December 31, 2023 as restated	January 1, 2023 as restated
Return on Equity	5.26%	5.63%	5.62%
Return on Assets	3.46%	3.54%	3.63%
Earnings per Share	₱ 0.162	₱ 0.168	₱ 0.163

Return on Equity (Net Income Attributable to Parent Company's shareholders/Average Equity Attributable to Parent Company's shareholders)
It tests the productivity of the owners' investments.

Return on Assets (Net Income/Average Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

INTEREST COVERAGE RATIO

	December 31, 2024	December 31, 2023 as restated	January 1, 2023 as restated
Interest Coverage	₱8.83	₱31.02	₱29.22

Interest Coverage Ratio (Earnings before Interest and Income Tax/Interest Expense)
It measures how easily a company can pay interest on an outstanding debt.

<u>Others</u>

As of the year ended December 31, 2024, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

a. Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;
b. Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
c. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
d. Significant elements of income or loss that did not arise from the Company's continuing operations;
e. Causes for any material changes from period to period in one or more line item of the Company's financial operations;
f. Seasonal aspects that had a material effect on the financial condition or results of the operations;

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

<u>Management's Discussion and Analysis of Results of Operations and Financial Conditions</u>

<u>Review for the year ended December 31, 2024</u>

Results of Operations

For the year ended December 31, 2024 the Group's consolidated net income amounted to Php 2.15 billion, a 2% increase from the December 31, 2023 net income of Php 2.11 billion.

Consolidated total revenues amounted to Php 8.89 billion. The bulk of revenues came from real estate sales, hotel operations, rental income, and finance and other income. The Group's registered sales came from sale of lots in Newcoast Village in Malay, Aklan, Sta. Barbara Heights in Iloilo City, Twin Lakes Domaine Le Jardin and Lucerne at Domaine Le Jardin in Laurel, Batangas, Pahara and Ecocentrum Commercial at Southwoods City, Alabang West Commercial in Daang Hari, Las Piñas, Eastland Heights in Antipolo, Rizal, Lindgren at Arden Botanical Estate in Trece Martires City, Cavite and sale of condominium units in Oceanway Residences One, Ocean Garden Villas, Savoy Hotel, Belmont Hotel and Chancellor Hotel in Boracay, Manor, The Belvedere and Countrywoods in Twin Lakes Laurel, Batangas and Holland Park and Tulip Gardens in Southwoods City.

Total cost and expenses as of December 2024 amounted to Php 6.73 billion, an increase of 8% from Php 6.23 billion as of December 2023, mainly due to increase in cost of hotel operations, operating expenses and finance cost and other charges.

Financial Condition

The Group's financial position remained stable and with adequate capacity to support its growth. Total Assets of Php 62.9 billion as of December 31, 2024 compared to Php 61.8 billion as of December 31, 2023 posted an increase of Php 1.1 billion or 2%.

Cash and cash equivalents increased by 8% mainly due to collection and additional interest-bearing loans and borrowings, from Php 2.1 billion as of December 2023 to Php 2.3 billion as of December 2024. Trade and other receivables increased by 11% due to installment sales booked for the year, from Php 13.8 billion as of December 2023 to Php 15.3 billion as of December 2024. Contract assets decreased by 14%, from Php 5.8 billion as of December 2023 to Php 5.0 billion as of December 2024 due to completion of projects. Inventories decreased by 6% mainly due to change in accounting standards on borrowing cost and transfer of inventories to investment properties, from Php 21.2 billion as of December 31, 2023 to Php 19.8 billion as of December 31, 2024. Investment properties increased by 13% mainly due to reclassification from inventories. Right-of-use asset decreased by 30% due to amortization for the period.

Trade and other payables increased by 12% mainly due to increase in payables to contractors and suppliers, from Php 4.6 billion as of December 31, 2023 to Php 5.1 billion as of December 31, 2024. Contract liabilities decreased by 62% due to decrease in sales from uncompleted projects with lower percentage of completion than percentage of collection from Php 925.8 million as of December 31, 2023 to Php 348.9 million as of December 31, 2024. Advances from related parties decreased by 7% or Php 46.2 million due to payment to related parties. Customer's deposit increased by 9% due to collection from existing buyers and new reservation sales, from Php 1.2 billion as of December 2023 to Php 1.3 billion as of December 31, 2024. Retirement benefit obligation increased by 32% due to increase in accrual of retirement benefit. Deferred tax liability increased by 5% due to increase in taxable temporary difference, from Php 3.3 billion as of December 31, 2023 to Php 3.4 billion as December 31, 2024. Lease liabilities decreased by 10% from Php 517.7 million as of December 31, 2023 to Php 465.8 million as of December 31, 2024 due to end of a lease contract.

Shareholders' Equity increased from Php 33.5 billion to Php 34.2 billion mainly due to net income for the year.

Material Changes in the Statements of Final Position for the year ended December 31, 2024
(Increase/decrease of 5% or more versus December 31, 2023 as restated)

- 8% increase in Cash and cash equivalents – mainly due to collection and additional interest-bearing loans and borrowings.
- 11% increase in Trade and other receivables – due to increase in installment sales booked for the year.
- 14% decrease in Contract assets – due to completion of projects.
- 6% decrease in Inventories – mainly due to change in accounting standards on borrowing cost and reclassification to Investment Properties.
- 13% increase in Investment Properties – mainly transfer from Inventories.
- 30% decrease in Right of use-asset – due to amortization for the period.
- 12% increase in Trade and other payables – mainly due increase in payables to contractors and suppliers.
- 62% decrease in Contract Liabilities - due to decrease in sales from uncompleted projects with lower percentage of completion than percentage of collection.
- 7% decrease in Advances from related parties – due to payments made to related parties.
- 9% decrease in Customer's deposit – due to collection from existing buyers and new reservation sales.
- 32% increase in Retirement benefit obligation – due to increase in accrual of retirement benefit.
- 5% increase in Deferred tax liability – due to increase in taxable temporary difference.
- 10% decrease in Lease liability – due to end of a lease contract.

Material Changes in the Statements of Comprehensive Income the year ended December 31, 2024
(Increase/decrease of 5% or more versus December 31, 2023 as restated)

- 10% decrease in Real estate sales – mainly due to implementation of new accounting standard on concept of significant financing component in the contract to sell.
- 6% increase in Rental income – due to increase in occupancy rate and tenant sales for the period.
- 69% increase in Hotel Operations – mainly due to increase in occupancy rate and the continuous rise of tourism and travel.
- 30% increase in Service Income – due to higher service income for the year.
- 44% decrease in Marketing fees – due to decrease in marketing income from sale of joint venture partners' inventory.
- 162% increase in Finance and other income – due to increase in interest income on real estate sales related to new accounting standard on concept of significant financing component in the contract to sell.

- 14% decrease in Cost of real estate sales – mainly due to due to decrease in real estate sales for the year.
- 78% increase in Cost of hotel operations – directly related to increase in hotel revenue.
- 29% increase in Operating expenses – mainly due to increase in expenses directly related to increase in revenue such as commission, expenses related to hotel operations and other administrative expenses.
- 121% increase in Finance cost and other charges – due to implementation of new accounting standard related to borrowing cost for real estate industry.
- 33% decrease on Income tax expense – due to the effect on reversal of deferred tax liability of capitalized borrowing cost in connection to implementation of new accounting standard related to borrowing cost for real estate industry.

Review for the year ended December 31, 2023 as restated

Results of Operations

For the year ended December 31, 2023 the Group's consolidated net income amounted to Php 2.11 billion, a 1% increase from the December 31, 2022 net income of Php 2.08 billion.

Consolidated total revenues amounted to Php 8.34 billion. The bulk of revenues came from real estate sales, hotel operations, rental income, and service income. The Group's registered sales came from sale of lots in Newcoast Village in Malay, Aklan, Sta. Barbara Heights in Iloilo City, Twin Lakes Domaine Le Jardin and Lucerne at Domaine Le Jardin in Laurel, Batangas, Pahara at Southwoods City, Alabang West Commercial in Daang Hari, Las Piñas, Eastland Heights in Antipolo, Rizal, Lindgren at Arden Botanical Estate in Trece Martires City, Cavite and sale of condominium units in Oceanway Residences One, Ocean Garden Villas, Savoy Hotel, Belmont Hotel and Chancellor Hotel in Boracay and Holland Park and Tulip Gardens in Southwoods City.

Total cost and expenses as of December 2023 amounted to Php 6.23 billion, an increase of 19% from Php 5.24 billion as of December 2022, mainly due to increase in cost of real estate sales, hotel operations, rentals and services and tax expense.

Financial Condition

The Group's financial position remained stable and with adequate capacity to support its growth. Total Assets of Php 61.8 billion as of December 31, 2023 compared to Php 57.3 billion as of December 31, 2022 posted an increase of Php 4.4 billion or 8%.

Cash and cash equivalents decreased by 10% mainly due to payment to contractors and suppliers for the ongoing development of various projects, from Php 2.4 billion as of December 2022 to Php 2.1 billion as of December 2023. Trade and other receivables increased by 17% due to installment sales booked for the year, from Php 11.8 billion as of December 2022 to Php 13.8 billion as of December 2023. Contract assets increased by 29%, from Php 4.5 billion as of December 2022 to Php 5.8 billion as of December

2023 due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection. Inventories increased by 6% mainly due to increase in completion of various projects under construction, from Php 20.0 billion as of December 31, 2022 to Php 21.2 billion as of December 31, 2023. Advances to related parties decreased by 16% due to collection from related parties. Right-of-use asset decreased by 19% due to amortization for the period. Other current and non-current assets increased by 14% mainly due to Advances to contractors and suppliers, from Php 4.1 billion as of December 31, 2022 to Php 4.7 billion as of December 31, 2023.

Trade and other payables increased by 13% mainly due to increase in payables to contractors and suppliers, from Php 4.1 billion as of December 31, 2022 to Php 4.6 billion as of December 31, 2023. Interest-bearing loans and borrowings increased by 25% from Php 7.6 billion as of December 31, 2022 to Php 9.5 billion as of December 31, 2023 due to availment of new interest-bearing loans. Due to joint venture partners increased by 28% from Php 386.7 million as of December 31, 2022 to Php 493.2 million as of December 31, 2023 due to increase in collection of sales of projects with joint venture partners. Advances from related parties decreased by 19% due to payment to related parties. Customer’s deposit decreased by 17% due to installment sales recognized for the period, from Php 1.5 billion as of December 2022 to Php 1.2 billion as of December 31, 2023. Retirement benefit obligation increased by 29% due to increase in accrual of retirement benefit. Deferred tax liability increased by 23% due to increase in taxable temporary difference, from Php 2.7 billion as of December 31, 2022 to Php 3.3 billion as December 31, 2023. Lease liabilities decreased by 7% from Php 555.0 million as of December 31, 2022 to Php 517.7 million as of December 31, 2023 due to end of a lease contract.

Shareholders’ Equity increased from Php 38.2 billion to Php 39.9 billion mainly due to net income for the year.

Material Changes in the Statements of Final Position for the year ended December 31, 2023 as restated
(Increase/decrease of 5% or more versus December 31, 2022 as restated)

- 10% decrease in Cash and cash equivalents – due to payment to contractors and suppliers for the ongoing development of various projects.
- 17% increase in Trade and other receivables – due to increase in installment sales booked for the year.
- 29% increase in Contract assets – due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection.
- 6% increase in Inventories – mainly due to increase in completion of various projects under construction.
- 16% decrease in Advances to related parties – due to collection from related parties.
- 19% decrease in Right of use-asset – due to amortization for the period.
- 14% increase in Other current and non-current assets – due to Advances to contractors and suppliers.
- 13% increase in Trade and other payables – mainly due increase in payables to contractors and suppliers.

- 25% increase in Interest-bearing loans and borrowings – due to availment of new interest-bearing loans.
- 28% increase in Due to joint venture partners – due to increase in collection of sales with joint venture partners.
- 19% decrease in Advances from related parties – due to payments made to related parties.
- 17% decrease in Customer's deposit – due to installment sales recognized for the period.
- 29% increase in Retirement benefit obligation – due to increase in accrual of retirement benefit.
- 23% increase in Deferred tax liability – due to increase in taxable temporary difference.
- 7% decrease in Lease liability – due to end of a lease contract.

Material Changes in the Statements of Comprehensive Income the year ended December 31, 2023 as restated
(Increase/decrease of 5% or more versus December 31, 2022 as restated)

- 10% increase in Real estate sales – mainly due to increase in real estate sales recognized for the period.
- 21% increase in Rental income – due to increase in occupancy rate and tenant sales for the period.
- 35% increase in Hotel Operations – mainly due to increase in occupancy rate and the continuous rise of tourism and travel.
- 38% increase in Service Income – due to higher service income for the year.
- 6% increase in Marketing fees – due to increase in marketing income from sale of joint venture partners' inventory.
- 29% increase in Finance and other income – due to increase in interest income on real estate sales and in other income.
- 31% increase in Cost of real estate sales – mainly due to increase in real estate sales for the year.
- 15% increase in Cost of rentals and services – mainly directly related to increase in rental and service income.
- 55% increase in Cost of hotel operations – directly related to increase in hotel revenue.
- 6% increase in Operating expenses – mainly due to increase in expenses directly related to increase in revenue such as commission, expenses related to hotel operations and other administrative expenses.
- 6% decrease in Finance cost and other charges – due to decrease in other finance charges.
- 16% increase on Income tax expense – due to increase in taxable income.

<u>Review for the year ended December 31, 2022 as restated</u>

Results of Operations

For the year ended December 31, 2022 the Group's consolidated net income amounted to Php 2.08 billion, a 39% increase from the December 31, 2021 net income of Php 1.49 billion.

Consolidated total revenues amounted to Php 7.33 billion. The bulk of revenues came from real estate sales, rental income, hotel operations, and service income. The Group's registered sales came from sale of lots in Newcoast Village in Malay, Aklan, Sta. Barbara Heights in Iloilo City, Twin Lakes Domaine Le Jardin and Lucerne at Domaine Le Jardin in Laurel, Batangas, Ecocentrum Business Park and Pahara at Southwoods City, Alabang West in Daang Hari, Las Piñas, Eastland Heights in Antipolo, Rizal and sale of condominium units in Oceanway Residences One, Ocean Garden Villas, Savoy Hotel, Belmont Hotel and Chancellor Hotel in Boracay, Holland Park and Tulip Gardens in Southwoods City and Vineyard Residences, The Belvedere and The Manor in Twin Lakes, Tagaytay.

Total cost and expenses as of December 2022 amounted to Php 5.25 billion, an increase of 50% from Php 3.49 billion as of December 2021, mainly due to increase in cost of real estate sales, hotel operations, operating expenses and tax expense.

Financial Condition
(Comparing balances as of December 31, 2022 as restated and as of January 1, 2022 as restated)

The Group's financial position remained stable and with adequate capacity to support its growth. Total Assets of Php 57.3 billion as of December 31, 2022 as restated compared to Php 54.1 billion as of January 1, 2022 as restated posted an increase of Php 3.3 billion or 6%.

Cash and cash equivalents decreased by 40% mainly due to payment to contractors and suppliers for the ongoing development of various projects, from Php 3.9 billion as of January 1, 2022 as restated to Php 2.4 billion as of December 31, 2022 as restated. Trade and other receivables increased by 17% due to installment sales booked for the year, from Php 10.1 billion as of January 1, 2022 as restated to Php11.8 billion as of December 31, 2022 as restated. Contract assets increased by 43%, from Php 3.1 billion as of January 1, 2022 as restated to Php 4.5 billion as of December 31, 2022 as restated due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection. Inventories increased by 6% mainly due to increase in completion of various projects under construction, from Php 18.9 billion as of January 1, 2022 as restated to Php 20.0 billion as of December 31, 2022 as restated. Advances to related parties decreased by 6% due to collection from related parties. Right-of-use asset increased by 43% due to new lease for the period as restated. Other current and non-current assets increased by 20% mainly due to Advances to contractors and suppliers, from Php 3.4 billion as of January 1, 2022 as restated to Php 4.1 billion as of December 31, 2022 as restated.

Trade and other payables increased by 13% mainly due to increase in payables to contractors and suppliers, from Php 3.6 billion as of January 1, 2022 as restated to Php 4.1 billion as of December 31, 2022 as restated. Contract liabilities increased by 20% due to increase in sales from uncompleted projects with lower percentage of completion than percentage of collection. Redeemable preferred shares decreased by 100% due to redemption of shares. Customer's deposit increased by 14% due to collection from existing buyers and new reservations sales, from Php 1.3 billion as of January 1, 2022 as restated to Php 1.5 billion as of December 31, 2022 as restated. Retirement benefit obligation decreased by 13% due to decrease in accrual of retirement benefit. Deferred tax liability increased by 25% due to increase in taxable temporary difference, from Php 2.1 billion as of January 1, 2022 as restated to Php 2.7 billion as December 31, 2022 as restated. Lease liabilities increased by 18% due to new lease for the period as restated. Other non-current liabilities decreased by 14% from Php 597.8 million as of January 1, 2022 as restated to Php 513.1 million as of December 31, 2022 as restated mainly due to presentation of current retention payable to current liability.

Shareholders' Equity increased from Php 36.1 billion to Php 38.2 billion mainly due to net income for the year.

Material Changes in the Statements of Final Position for the year ended December 31, 2022 as restated
(Increase/decrease of 5% or more versus January 1, 2022 as restated)

- 40% decrease in Cash and cash equivalents – due to payment to contractors and suppliers for the ongoing development of various projects.
- 17% increase in Trade and other receivables – due to installment sales booked for the year.
- 43% increase in Contract assets – due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection.
- 6% decrease in Advances to related parties – due to collection from related parties.
- 6% increase in Inventories – due to to increase in completion of various projects under construction.
- 43% increase in Right of use-asset – due to new lease for the period.
- 20% increase in Other current and non-current assets – due to Advances to contractors and suppliers.
- 13% increase in Trade and other payables – mainly due increase in payables to contractors and suppliers.
- 20% increase in Contract liabilities – due to increase in sales from uncompleted projects with lower percentage of completion than percentage of collection.
- 100% decrease in Redeemable preferred shares – due to redemption of shares.
- 14% increase in Customer's deposit – due to collection from existing buyers and new reservations sales.
- 13% decrease in Retirement benefit obligation – due to decrease in accrual of retirement benefit.
- 25% increase in Deferred tax liability – due to increase in taxable temporary difference.
- 18% increase in Lease liability – due to new lease for the period.

- 14% decrease in other non-current liability – mainly due to presentation of current retention payable to current liability.

Material Changes in the Statements of Comprehensive Income the year ended December 31, 2022
(Increase/decrease of 5% or more versus December 31, 2021)

- 59% increase in Real estate sales – mainly due to increase in real estate sales recognized for the period.
- 12% increase in Rental income – due to increase in occupancy rate.
- 188% increase in Hotel Operations – mainly due to increase in occupancy rate as the result lifting of travel bans.
- 5% increase in Service Income – due to higher service income for the year.
- 54% decrease in Marketing fees – due to decrease in marketing income from sale of lots of joint venture partner.
- 20% decrease in Finance and other income – due to decrease in other income.
- 32% increase in Cost of real estate sales – mainly due to increase in real estate sales for the year.
- 7% decrease in Cost of rentals and services – mainly due to decrease of cost of services.
- 153% increase in Cost of hotel operations – directly related to increase in hotel revenue.
- 42% increase in Operating expenses – mainly due to increase in expenses directly related to increase in revenue such as commission, expenses related to hotel operations and other administrative expenses.
- 81% increase in Finance cost and other charges – due to increase in other charges.
- 297% increase on Income tax expense – due to increase in taxable income.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2024, 31 December 2023, and 31 December 2022 of the Company are incorporated herein duly signed by the external auditors.

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

Independent Public Accountants

The Company's Board of Directors and Stockholders, upon the recommendation of the audit committee approved, on February 26, 2024, the designation of Punongbayan and Araullo as the external auditor for the audit of the financial statements of the Company for the year ending 31 December 2024. For the years 2016 to 2022, the handling partner has been Mr. Renan Piamonte, an Audit and Assurance partner of Punongbayan and

Araullo. Starting year 2023, the handling partner is Mr. Edcel U. Costales, an Audit and Assurance partner of Punongbayan and Araullo.

Changes in Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company at its subsidiaries.

External Audit Fees and Services

For the audit of the Company's financial statements and services that are normally provided by the external auditors in connection with statutory and regulatory filings for the calendar year reports of 2024, 2023, and 2022, the fee was approximately Php 2.31 million, Php 1.95 million, and Php 1.73 million, respectively.

The external auditors rendered no other assurance and related services to the Company other than the items discussed above.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Conformably with the Company's By-Laws and Manual on Corporate Governance, the Company has nine (9) directors, two (2) of whom are independent directors. All the incumbent directors, whose qualifications were evaluated by the Corporate Governance Committee, were elected during the Annual Stockholders' Meeting held on June 27, 2024.

The name, age, citizenship and position of the directors and officers of the of the Company as of December 31, 2024 are set forth in the table below:

Directors

Name	Age	Citizenship	Position
Andrew L. Tan	75	Filipino	Chairman & CEO
Lourdes T. Gutierrez-Alfonso	61	Filipino	Managing Director
Monica T. Salomon	56	Filipino	President
Kevin Andrew L. Tan	45	Filipino	Director
Ferdinand T. Santos	74	Filipino	Director
Wilbur L. Chan	65	Filipino	Director for Clubs and Hotels
Giancarlo C. Ng	47	Filipino	Director
Jesus B. Varela	68	Filipino	Lead Independent Director
Cresencio P. Aquino	71	Filipino	Independent Director

Officers

Name	Age	Citizenship	Position
Lailani V. Villanueva	45	Filipino	Chief Finance Officer/Treasurer, Compliance Officer, Corporate Information Officer
Marie Emelyn Gertrudes C. Martinez	60	Filipino	EVP, Head of Legal
Karen B. Maderazo	46	Filipino	FVP, Head of Human Resources, Corporate Services and Real Estate Management
Felipe L. Mangubat Jr.	59	Filipino	VP, Head of Operations Management
Kirk P. Abot	55	Filipino	VP, Head of Planning and Design
Maria Carla T. Uykim	48	Filipino	Corporate Secretary and Assistant Corporate Information Officer
Nelileen S. Baxa	45	Filipino	Asst. Corporate Secretary
Allan D. Espiritu	44	Filipino	Chief Audit Executive

Detailed information of the abovementioned directors including their directorships for the past five (5) years, as well as information relative to the officers are discussed below:

Board of Directors

ANDREW L. TAN, Filipino, 75 years old, was first elected as Chairman of the Board and Chief Executive Officer of the Company on 12 January 2011. Dr. Tan serves as Chairman of the Board of Alliance Global Group, Inc. (AGI), a publicly listed company, which has interests in the food and beverage business, real estate, tourism-entertainment and gaming, quick-service restaurant business and infrastructure development. Dr. Tan is the founder of the Company's parent company, Megaworld Corporation and has served as its Chairman since its incorporation in 1989. He was the President of Megaworld Corporation from its incorporation until June 24, 2024 He pioneered the live-work-play-learn model in real estate development through Megaworld Corporation's integrated township communities, fueling the growth of the business process outsourcing (BPO) industry. He embarked on the development of integrated tourism and leisure estates through the Company and is Chairman of the Company's affiliates Twin Lakes Corporation, Southwoods Mall, Inc. and Oceanfront Properties, Inc. Mr. Tan is also Chairman of Megaworld subsidiaries Empire East Land Holdings, Inc. , a publicly-listed company, and Suntrust Properties, Inc., and AGI's brandy subsidiary, Emperador, Inc., which is also a publicly-listed company. He is also a director of other Megaworld subsidiaries, including Eastwood Cyber One Corporation, Megaworld Land, Inc. and Richmonde Hotel Group International Limited.

Dr. Tan graduated Magna Cum Laude from the University of the East with a degree of Bachelor of Science in Business Administration. In 2011, Dr. Tan was conferred by the University of the East the Degree of Doctor of Humanities, honoris causa.

LOURDES T. GUTIERREZ-ALFONSO, 61 years old**,** was first elected as Director of the Company on 30 June 2011. Effective 01 March 2015, she was appointed as the Company's Managing Director to oversee the Company's business performance and lead in the formulation of overall strategic direction, plans, and policies for the Company. She is currently the President of publicly-listed Megaworld Corporation and is a member of Megaworld's Management Executive Committee. She is currently the Chairman of First Oceanic Property Management, Inc., Belmont Newport Luxury Hotels, Inc., Megaworld Global Estate, Inc., and Savoy Hotel Manila, Inc. She serves as director in numerous affiliate companies including Suntrust Properties, Inc., Megaworld Cebu Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Oceantown Properties, Inc., Prestige Hotels & Resorts, Inc., Twin Lakes Corporation, and Southwoods Mall, Inc. She is also a trustee and Corporate Secretary of Megaworld Foundation, Inc. Ms. Alfonso is a certified public accountant by profession and graduated Cum Laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting.

MONICA T. SALOMON, 56 years old, has served as Director and President of the Company since 01 March 2015. Prior to joining GERI, she was Head of Megaworld's Corporate Management Division and spearheaded strategic real estate acquisitions and joint ventures for the Megaworld Group. She was also a member of Megaworld's Management Executive Committee, which is responsible for the development and execution of the Group's corporate strategies, policies and initiatives. She is Director and President of Global Estate Properties, Inc., Megaworld Global Estates, Inc., Southwoods Mall, Inc. and Southwoods Ecocentrum Corporation. She is also a director of Twin Lakes Corporation. She also holds position in various Megaworld subsidiaries: Director and President of Twin Lakes Hotel, Inc. and Director and Corporate Secretary of the Luxury Global Hotels and Leisure, Inc., Belmont Hotel Boracay, Inc., Savoy Hotel Boracay, Inc., and Director and CFO of Megaworld Foundation, Inc. She obtained her Bachelor of Laws degree in 1994 from the University of the Philippines.

KEVIN ANDREW L. TAN, 45 years old, was elected as Director of the Company on 26 June 2014. He is the President, Chief Executive Officer and Vice Chairman of Alliance Global Group, Inc.; Director and Executive Director of Megaworld Corporation; President and Chief Executive Officer of MREIT, Inc; and director of Emperador Inc. and Empire East Land Holdings, Inc., all publicly-listed companies. He is also a director of various companies in the Alliance Global Group including Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., Southwoods Ecocentrum Corp., Twin Lakes Corporation, and Southwoods Mall, Inc. He has extensive experience in retail leasing, marketing, and operations having previously held the position of Senior Vice President for Commercial Division which markets and operates the Megaworld Lifestyle Malls including but not limited to Eastwood Mall, Venice Piazza at McKinly Hill, Newport Mall, Lucky Chinatown Mall and Uptown Mall. Mr. Tan holds a bachelor's degree in Business Administration major in Management, from the University of Asia and the Pacific.

FERDINAND T. SANTOS, Filipino, 74 years old, was elected as Director of the Company since its incorporation in 1994. He served as the Company's President until his retirement on 28 February 2015. He is also the President of several companies, such as but not limited to Fil-Estate Management Inc., Fil-Estate Development Inc., Metro Global Holdings, Inc., MRT Development Corporation, .Fairways & Bluewater Resort Golf & Country Club, Inc., Newport Hills Golf Club, Inc., St. Benedict Realty & Development Inc., Royal Jade Memorial Inc., and Mt. Zion Memorial, Inc. He graduated from Arellano University with Bachelor of Arts degree in 1970 and took his Bachelor of Laws at San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar (2nd Place).

WILBUR L. CHAN, Filipino, 65 years old, was first elected as Director of the Company on 12 January 2011. He also serves as Director for Hotels and Clubs and is currently the Chairman of Fairways & Bluewater Resorts Golf & Country Club, Inc. and Fil-Estate Urban Development Corporation. He is also a director in Southwoods Ecocentrum Corporation and Uni-Asia Properties, Inc. He has a Master's Degree in Business Management from the Asian Institute of Management, a Master's Degree in National Security Administration (Silver Medalist) from the National Defense College of the Philippines and a Degree in Command & General Staff Course at Command & General Staff College.

GIANCARLO C. NG, 47 years old, was first elected as Director of the Company on 28 August 2020. He is the Sales and Operations Support Vice-President of Progreen Agricorp, Inc. He has 20 years of leadership roles in the areas of Information Technology consulting, customer support, pre-sales engineering, and global business development. He is experienced in strategic and tactical planning, client relationship management, corporate governance, and change management. Mr. Ng holds a Bachelor of Arts in Humanities and a degree of Master of Science in Information Technology, having graduated Magna Cum Laude in 2000 from the University of Asia and the Pacific.

JESUS B. VARELA, Filipino, 68 years old, was elected as Lead Independent Director on 30 June 2016. He is also Independent Director of various publicly-listed/public companies, namely MREIT, Inc., Travellers International Hotel Group, Inc., and Suntrust Resort Holdings, Inc. (Lead Independent Director). He is also Director General of the Intern before April 30, 2024.National Chamber of Commerce Philippines, a Board Regent of Unibersided de Manila, columnist at the Philippine Daily Tribune and President of the Erehwon Art Foundation. Mr. Varela has extensive experience in the fields of marketing, human resources, international labor affairs, commerce and agriculture, among others. He was formerly Chairman and Acting CEO of GS1 Philippines, Director pf PCCI and Vice President of the Employers Confederation of the Philippines. He has done executive work with the Department of Agriculture, National Food Authority Council, Philippine Genetics, Inc., National Irrigation Administration, Philippine Planters Products, National Agri-Business Corporation, Agriculture Anti-Smuggling Task Force, and Nautical Highway Board. He also served as Labor Attaché to Kobe, Japan, to the Commonwealth of Northern Marianas Island, and to Athens. Mr. Varela obtained his bachelor's degree in Economics from Ateneo De Manila University. He attended training courses in Labor

Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian Productivity Seminar, and other in-house seminars conducted by the Department of Labor and the Development Academy of the Philippines. Mr. Varela graduated with an Economics degree in 1979 from Ateneo de Manila University.

CRESENCIO P. AQUINO, Filipino, 71 years old, was elected as Independent Director of the Company on 15 February 2018. He is also an independent director in the publicly listed companies, Megaworld Corporation and Empire East Land Holdings, Inc. and Managing Partner of The Law Firm of CP Aquino & Partners. Atty. Aquino has extensive experience in both the public and private sectors as follows: Director of Clark Development Corporation from 2012 to 2016, Independent Director of Suntrust Home Developers, Inc. from 2009 to 2012, Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, member of the Board of Directors of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bank from September 1992 to June 1998, Executive Director of the Department of Interior and Local Government (DILG) from 1998 to 1992, and Ex-Officio Commissioner of the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus and the Lawyers League of the Philippines. He is a graduate of San Sebastian College Manila with degrees in Bachelor of Arts and Bachelor of Laws.

Key Executive Officers (other than those presented above under "Directors")

LAILANI V. VILLANUEVA, Filipino, 45 years old, is the Chief Finance Officer, Compliance Officer and Treasurer of the Company. She is a Certified Public Accountant with over 24 years of experience in accounting and finance. Prior to joining the Company, she was Senior Accounting Manager for Megaworld Corporation from 2007 until 2010. In 2011, she joined Global-Estate Resorts, Inc. as Comptroller. She concurrently holds the position of Director and Treasurer in various companies, including but not limited to Global Estates Properties, Inc., Global-Estate Golf and Development, Inc., Southwoods Mall, Inc., and Megaworld Global-Estates, Inc. She is also a Director and Chief Finance Officer of Southwoods Ecocentrum Corporation and Chief Finance Officer of Fairways and Bluewater Resort Golf and Country Club, Inc. Ms. Villanueva obtained her bachelor's degree in Accountancy from the College of the Immaculate Concepcion.

MARIE EMELYN GERTRUDES C. MARTINEZ, Filipino, 60 years old, is the Company's Executive Vice President for Legal Division. She is also the Corporate Secretary of various companies including Global -Estate Golf and Development, Inc., Golf Force, Inc., Sherwood Hills Development, Inc., Fil-Estate Urban and Development, Inc., and Boracay Newcoast Federation, Inc. Before joining GERI, she was the Chief of Staff of the Office of COMELEC Commissioner Augusto C. Lagman, was a Partner in Ponce Enrile Reyes & Manalastas (PECABAR) Law Offices and in Nisce Mamuric Guinto Rivera & Alcantara Law Offices. She was admitted to the Bar in 1991 after obtaining her Bachelor of Laws degree from the University of the Philippines and her Bachelor of Arts major in Economics from the same university.

KAREN B. MADERAZO, Filipino, 46 years old, is the First Vice President and Head of the Company's Human Resources, Corporate Services and Real Estate Management Division. She is currently the President of Integrated Resorts Property Management, Inc. She joined the Company on 1 October 2013. Ms. Maderazo served as the Senior Manager for Human Resources Division of Megaworld Corporation from May 2005 to September 2013. She also worked for Suyen Corporation from June 2003 to February 2005 as Training Specialist of the Personnel Department. She graduated from Centro Escolar University with a bachelor's degree in Science in Psychology. She pursued graduate studies in Psychology at the Centro Escolar University.

FELIPE L. MANGUBAT, JR., Filipino, 59 years old, is First Vice President and Head of Operations Management of the Company. A civil engineer by profession, he has extensive experience in project development, having managed various residential, commercial, institutional and industrial projects in the Philippines and in the Middle East Prior to his appointment, he served as Project Development Head of the Company's Boracay Newcoast and Twin Lakes projects.

KIRK P. ABOT, Filipino, 55 years old, is the Vice President and Head of Planning and Design of the Company. An architect by profession, he is a graduate of the Mapua Institute of Technology and ranked in the top 10 of the architectural licensure examinees in 1994. Prior to GERI, he had 21 years of experience and expertise from Megaworld Corporation, where he headed the Building Architectural Group of the Architectural and Planning Department, handling BPO and office projects.

MARIA CARLA T. UYKIM, 48 years old, Filipino, is the Corporate Secretary and Assistant Corporate Information Officer of the Company. She is also the Corporate Secretary of Megaworld San Vicente Coast, Inc., Northwin Properties, Inc., and Maple Grove Land, Inc., and a Director and Corporate Secretary of Luxury Global Malls, Inc. and Manila Bayshore Property Holdings, Inc. Inc. She is currently the Head of the Corporate Advisory and Compliance Division of Megaworld Corporation and is a member of the Management Executive Committee. She is also the Corporate Secretary of MREIT, Inc., a publicly listed company. Prior to joining Megaworld Corporation, Atty. Uykim was an Associate at Andres Marcelo Padernal Guerrero and Paras law offices from August 2005 to April 2007, where she specialized in labor and corporate law, and at ACCRA Law from February 2003 to January 2004, where she practiced immigration law. She also served as Chief of Staff of Congresswoman Remedios L. Petilla from July 2004 until June 2005. She obtained her Juris Doctor Degree from the Ateneo De Manila School of Law and is a graduate of the double degree program of De La Salle University, with a Bachelor of Arts in Psychology and a Bachelor of Science in Marketing Management.

NELILEEN S. BAXA, Filipino, 45 years old, is the Assistant Corporate Secretary of the Company. She is also a Senior Accounting Manager and the Assistant Corporate Secretary of Megaworld Corporation, a publicly listed company. She is also the

Corporate Secretary and Corporate Information Officer of Suntrust Resort Holding, Inc, and Assistant Corporate Secretary of Alliance Global Group, Inc. and Suntrust Properties, Inc. Ms. Baxa concurrently serves as a Director of Asia Finest Cuisines, Inc., Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc. and Venetian Properties, Inc. She is a certified public accountant with over eighteen (18) years of experience in the fields of accounting and finance. Ms. Baxa obtained her Bachelor's Degree in Accountancy from the University of Sto. Tomas.

ALLAN D. ESPIRITU, Filipino, 44 years old, is the Company's Chief Audit Executive. Prior to joining the Company, he was a full-time internal auditor at Aboitiz Transport System (now known as 2Go Group, Inc.), Philex Mining Corporation, SM Prime Holdings, Inc., and Isla Lipana & Co. (PwC Philippines). He is a Certified Public Accountant (CPA) and a Certified Internal Auditor (CIA). Mr. Espiritu is a graduate of the University of the East in 2003 with a degree of Bachelor of Science in Accountancy.

Significant Employees

While the Company values its workforce, the business of the Company is not highly dependent on the services of personnel outside of Senior Management.

Family Relationships

Chairman Andrew L. Tan is the father of Director Kevin Andrew L. Tan.

Involvement in Certain Legal Proceedings (over the past 5 years)

The Company has no knowledge of any of the following events that occurred during the past five (5) years up to the date of this report, which are material to an evaluation of the ability or integrity of any director or executive officer:

a. None of them has been involved in any bankruptcy petition.

b. None of them has been convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding both domestic and foreign.

c. None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily, enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities.

d. None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the commission or comparable foreign body or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

ITEM 10. EXECUTIVE COMPENSATION

KEY EXECUTIVE OFFICERS

NAME	POSITION	YEAR	SALARY	Other Annual Compensation
A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva B. All other officers and directors as a group unnamed	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	Estimate 2025	26.3 Million 52.6 Million	5.4 Million 11.1 Million
A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva B. All other officers and directors as a group unnamed	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2024	24.6 Million 49.5 Million	5.1 Million 10.4 Million
A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva B. All other officers and directors as a group unnamed	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2023	23.3 Million 37.9 Million	4.9 Million 7.8 Million

The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top five highly compensated executives amounted to Php 29.7 million in 2024, and Php 28.2 million in 2023. The projected total annual compensation for the current year is Php 31.7 million.

The total annual compensation paid to all senior personnel from AVP and up are all payable in cash. The total annual compensation includes the basic salary and 13th month pay.

The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The Directors receive reasonable per diem.

On 23 September 2011, the Board of Directors of the Company approved an Executive Stock Option Plan ("ESOP") and this was approved on 8 November 2011 by stockholders holding at least 2/3 of the outstanding capital stock. The purpose of the Plan is to enable the key Company executives, directors and senior officers who are largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The Plan is being administered by the Corporate Governance Committee of the Board.

The ESOP provides that stock options may be granted within ten (10) years from the adoption of the ESOP and may be exercised within seven (7) years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for twelve (12) months immediately preceding the date of grant. The options shall vest within three (3) years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three (3) year period. The Company shall receive cash for the stock options.

Pursuant to the ESOP, the Company granted the option to its key company directors and executives to subscribe to a total of 400 million Company shares, which were offered in five (5) tranches for the period 2012 to 2016. The PSE approved the Company's application for the listing of the said shares. The said shares were fully vested but none has been exercised by any of the option holders.

All 5 tranches of the ESOP has expired, the last of which expired on 16 June 2023. Thus, as of 31 December 2024, there are no remaining share options that can be exercised.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

Security ownership of certain record and beneficial owners owning more than 5% of any class of the Corporation's voting securities as of 31 December 2024 are as follows:

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based in total shares)
Common Shares	Megaworld Corporation 30th Floor, Alliance Global Tower, 36th St. corner 11th Avenue, Uptown Bonifacio, Taguig City	Megaworld Corporation*	Filipino	9,062,994,139	82.49%
Common shares	PCD Nominee Corporation (Filipino) 6/F MKSE Bldg. Ayala Avenue, Makati City	Various shareholders	Filipino	1,463,431,595	13.321%

Includes direct (9,035,638,139) and indirect (27,356,000) shares

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Security Ownership of Management

As of 31 December 2024 common shares owned by all directors and executive officers of GERI, representing original issues and stock dividends are as follows:

Title of Class	Name of Beneficial Owner	Amount and nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Dr. Andrew L. Tan	2 (direct)	Filipino	0.00%
Common	Lourdes T. Gutierrez-Alfonso	2 (direct)	Filipino	0.00%
Common	Monica T. Salomon	1 (direct)	Filipino	0.00%
Common	Kevin Andrew L. Tan	2 (direct)	Filipino	0.00%
Common	Ferdinand T. Santos	30,007 (direct)	Filipino	0.00%
Common	Wilbur L. Chan	2,611,826 (direct)	Filipino	0.02%
Common	Giancarlo S. Ng	1 (direct)	Filipino	0.00%
Common	Jesus B. Varela	1 (direct)	Filipino	0.00%
Common	Cresencio P. Aquino	1 (direct)	Filipino	0.00%

Other Executive Officers				
Common	Lailani V. Villanueva	0	Filipino	n/a
Common	Marie Emelyn Gertrudes C. Martinez	0	Filipino	n/a
Common	Karen B. Maderazo	0	Filipino	n/a
Common	Felipe L. Mangubat, Jr.	0	Filipino	n/a
Common	Kirk P. Abot	0	Filipino	n/a
Common	Allan D. Espiritu	0	Filipino	n/a
Common	Maria Carla T. Uykim	0	Filipino	n/a
Common	Nelileen S. Baxa	0	Filipino	n/a

Voting Trust Holders of 5% or more

The Company knows of no persons holding more than 5% of common shares under voting trust or similar agreement.

Changes in Control

There has been no change in the control of the Company since it became a subsidiary of Megaworld Corporation.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Group, in its regular conduct of business, has entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, marketing, leasing and administrative service agreements.

Advances granted to and obtained from subsidiaries, associates and other related parties are for purposes of working capital requirements.

Except with respect to the Related Party Transactions as discussed in Note 25 to the consolidated financial statements as at 31 December 2024 and 2023 and for each of the last three (3) years ended 31 December, there was no transaction during the last three (3) years involving the Company in which any of its directors or executive officers, any nominee for election as director, or security holder owning 10% or more of the Company's total outstanding shares and members of their immediate family had a material interest.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

On 10 May 2017, the Board of Directors of the Company formally adopted a New Manual on Corporate Governance ("Manual") that incorporates the established governance policies and practices in accordance with SEC Memorandum Circular No. 19, Series of 2016. The Manual guides the Board of Directors and Officers of the Company in their decisions and actions. It also provides for the establishment of an internal self-rating system to determine and measure compliance by the Board and Management to the Manual.

To ensure good corporate governance, the Company, among others, appointed a Compliance Officer who is tasked to monitor compliance with the Manual. The Company also continues to monitor adequacy of existing processes and systems. Conformably with the Manual, the Company's directors and key officers attended a Corporate Governance Seminar in 2024. The said seminar was conducted by P&A Grant Thornton, Institute of Corporate Directors and Center for Global Practices. Through this seminar, directors and officers are able to keep abreast with the changes and developments in corporate governance practices.

The Company has always exerted best efforts to comply with the Manual and is not aware of any deviations therefrom.

The Company is continuously finding ways to improve and enhance its existing systems and processes, as well as current practices, to align with leading practices on good corporate governance.

PART V – EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

a.) Exhibits

The following exhibit is incorporated by reference in this report:

<u>2024 Consolidated Audited Financial Statements</u>

No other exhibits, as indicated in the Index to Exhibits are either applicable to the Company or require no answer.

b.) Reports on SEC Form 17- C and Other Disclosures

The following reports were submitted by the Company to the Securities and Exchange Commission and/or The Philippines Stock Exchange, Inc. during the year 2024:

SEC Form 17-C

- GERI Nets P.2.1B in 2023 (April 12, 2024)

- GERI to develop ‘beachside Golf Estate’ in Batangas (May 27, 2024)
- GERI to develop 35th Township in Cagayan De Oro (December 2, 2024)

Structured Disclosures

- Public Ownership Report
- Foreign Ownership Report
- List of Top 100 Stockholders
- Advisement Letter on Attendance in Board Meetings for 2022
- Annual Report
- Notice of Annual Stockholders’ Meeting
- Information Statement
- Quarterly Report
- Integrated Annual Corporate Governance Report
- Results of Annual Stockholders Meeting
- Results of Organizational Board Meeting
- Initial Statement of Beneficial Ownership of Securities
- Certification of Completion of 2023 Corporate Governance Seminar

Press Releases

- GERI Nets P.2.1B in 2023 (April 12, 2024)
- GERI to develop ‘beachside Golf Estate’ in Batangas (May 27, 2024)
- GERI to develop 35th Township in Cagayan De Oro (December 2, 2024)

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in on April 2, 2025.

By:

Atty. Monica T. Salomon
President
Principal Operating Officer

Lailani V. Villanueva
Chief Finance Officer
Principal Financial Officer

Atty. Maria Carla T. Uykim
Corporate Secretary

Christian R. Sta. Rita
Assistant Vice President
General Accounting I

SUBSCRIBED AND SWORN to before me this 08 APR 2025 day of April 2025, affiants exhibiting to me their valid identification card, as follows:

NAMES	TIN/UMID/ SSS No./Driver's License	Expiration Date	Place of Issue
Monica T. Salomon	TIN 182-240-560-000	--	Manila
Lailani V. Villanueva	CRN 0002-1985165-5	--	Manila
Maria Carla T. Uykim	TIN 159-353-280-000	--	--
Christian R. Sta. Rita	N03-20-005870	--	--

Doc. No: 163;
Page No.: 18;
Book No.: XVI;
Series of 2025.

Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
(NP-230 / 2024-2025)
Until December 31, 2025
Roll No. 53953
PTR No. 5052411 / 01/02/2025 / Plaridel Bulacan
MCLE Compliance No. VII - 0007663 / 11/04/2021
IBP Lifetime No. 7203 (01-17-08)

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

Sec Registration Number

A	S	O	9	4	0	0	4	4	6	2

COMPANY NAME

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES

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

9TH FLOOR EASTWOOD GLOBAL PLAZA PALM TREE AVENUE BAGUMBAYAN 1110 QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
lvvillanueva@global-estate.ph	5-328-4370	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,128	Last Thursday of June	December-31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
LAILANI V. VILLANUEVA	lvvillanueva@global-estate.ph	5-328-4370	N/A

CONTACT PERSON'S ADDRESS

9/F Eastwood Global Plaza, Palm Tree Ave., Eastwood City, Bagumbayan, Quezon City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

GLOBAL-ESTATE RESORTS, INC.

9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Global-Estate Resorts, Inc. and Subsidiaries** 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, and 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 orerror.

In preparing the financial statements, management is responsible for assessing 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 company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing group'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.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Andrew L. Tan
Chairman of the Board

Monica T. Salomon
President

Lailani V. Villanueva
Chief Finance Officer

Signed this 21st day of March, 2025

GLOBAL-ESTATE RESORTS, INC.

9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

SUBSCRIBED AND SWORN to before me this ____ day of 02 APR 2025 at QUEZON CITY, Philippines, affiant(s) exhibited to me their respective Identification Cards, as follows:

NAMES	**Identification Number**
Andrew L. Tan	TIN 125-960-003-000
Monica T. Salomon	TIN 182-240-560-000
Lailani V. Villanueva	Unified Multi-Purpose ID CRN -0002-1985165-5

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal on the date and place above written.

Doc No. 140
Page No. 15
Book No. XV
Series of 2025

Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
(NP-230 / 2024-2025)
Until December 31, 2025
Roll No. 53953
PTR No. 5052411 / 01/02/2025 / Plaridel Bulacan
MCLE Compliance No. VII - 0007663 / 11/04/2021
IBP Lifetime No. 7203 (01-17-08)

P&A Grant Thornton

FOR SEC FILING

Consolidated Financial Statements. and Independent Auditors' Report

Global-Estate Resorts, Inc. and Subsidiaries

December 31, 2024, 2023 and 2022
(With Corresponding Figures as of January 1, 2023)

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

Opinion

We have audited the consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group, and its consolidated financial performance and its consolidated cash flows as at and for the year ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards), and as at December 31, 2023 and for the years ended December 31, 2023 and 2022 in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers,* and the related financing reporting interpretations affecting the real estate industry, using modified retrospective approach. Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition on Real Estate Sales and Determination of Related Costs

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, complexity of the application of PFRS 15 and the related financial reporting interpretations, and involvement of significant judgement and estimation. Moreover, real estate sales amounted to P5.9 billion or 66.2% of consolidated Revenues and Income while costs of real estate sales amounted to P2.4 billion or 39.2% of consolidated Costs and Expenses for the year ended December 31, 2024. The areas affected by revenue recognition and determination of related costs, which require significant judgment and estimate, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects that defines the amount of revenue to be recognized, and determining the amount of actual costs incurred as cost of real estate sales.

In addition, the Group adopted in 2024 the previously deferred provisions of PFRS 15 and the related financial reporting interpretations using the modified retrospective approach. These areas were significant to our audit as an error in the application of such a complex accounting framework, which also requires significant judgment and estimate, could cause a material misstatement in the consolidated financial statements.

The Group's policies for revenue recognition on real estate sales and determination of costs of real estate sales are more fully described in Note 2 to the consolidated financial statements. The significant judgments applied, and estimates used by management related to revenue recognition and cost determination are more fully described in Note 3 to the consolidated financial statements. The breakdown of real estate sales and costs of real estate sales are also disclosed in Notes 19 and 22, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

We obtained an understanding of the revenue recognition policy regarding real estate sales transactions and the related significant business processes of the Group.

Our procedures in testing the appropriateness and proper application of the Group's revenue recognition policy and process include tests of design and operating effectiveness of relevant controls over revenue generation and recognition, as well as tests of information technology (IT) general controls. We also performed tests of details to ascertain accuracy and occurrence of revenue recognized through examination of real estate sales contracts and other relevant supporting documents of the samples selected and performed overall analytical review of actual results.

As part of our test of compliance with revenue recognition criteria, we tested the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior.

Relative to the Group's measurement of progress towards complete satisfaction of performance obligation using the input method, we have tested the progress reported for the year in reference to the actual costs incurred relative to the total budgeted project development costs. Our procedures included test of details over recognition and allocation of costs per project and examined supporting documents. We have also conducted ocular inspection of selected projects under development to assess if the completion based on costs is consistent with the physical completion of the project. In testing the reasonableness of budgetary estimates, we have ascertained the qualification of projects engineers who prepared the budgets and reviewed the actual performance of completed projects with reference to their budgeted costs.

In relation to the adoption of the previously deferred provisions of PFRS 15 and the related financial reporting interpretations, we obtained an understanding of the relevant changes in the Group's revenue recognition policy and related business processes. We evaluated the Group's application of the adopted provisions mentioned above and compliance thereto. We also performed tests of mathematical accuracy of the Group's analysis and schedule of significant financing component and completeness of the relevant supporting contract summary and calculations, review of reasonableness of applicable prior period adjustments accounted for under modified retrospective approach, examination of supporting documents of a sample of agreements, and performing overall analytical review of actual results.

In relation to cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed understanding of relevant controls over cost recognition and measurement, including IT general controls. On a sampling basis, we traced costs accumulated to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's 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 auditors' report thereon. The SEC Form 20-IS, 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 auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the relevant accounting frameworks as discussed in Note 2 to the financial statements, 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.

Auditors' 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 auditors' 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 PSA 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 PSA, 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 significant 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 auditors' 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 audits resulting in this independent auditors' report is Edcel U. Costales.

PUNONGBAYAN & ARAULLO

By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10465902, January 2, 2025, Makati City
BIR AN 08-002551-045-2023 (until January 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until August 12, 2027)

March 21, 2025

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(With Corresponding Figures as of January 1, 2023)
(Amounts in Philippine Pesos)

	Notes	2024	December 31, 2023 (As Restated – see Note 2)	January 1, 2023 (As Restated – see Note 2)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	5	**P 2,294,241,764**	P 2,126,242,354	P 2,354,706,901
Trade and other receivables - net	6	**11,567,141,423**	8,748,155,409	8,607,314,942
Contract assets	19	**4,473,585,570**	4,002,000,089	3,438,659,294
Advances to real estate property owners	9	**45,424,169**	43,536,149	55,896,013
Advances to related parties - net	25	**555,801,049**	567,858,131	672,948,672
Inventories - net	7	**19,811,862,169**	21,153,887,807	20,023,795,404
Prepayments and other current assets - net	8	**4,634,292,827**	4,512,403,499	3,949,207,036
Total Current Assets		**43,382,348,971**	41,154,083,438	39,102,528,262
NON-CURRENT ASSETS				
Trade and other receivables - net	6	**3,757,018,414**	5,029,437,719	3,220,535,535
Contract assets	19	**526,379,353**	1,805,263,926	1,062,583,443
Advances to real estate property owners	9	**1,324,000,935**	1,293,330,994	1,272,206,783
Investment in associates - net	10	**731,407,570**	732,082,333	731,197,235
Investment properties - net	11	**11,876,841,656**	10,552,467,526	10,705,712,498
Property and equipment - net	12	**897,342,019**	879,823,190	883,770,248
Right-of-use assets - net	13	**121,739,208**	174,741,364	214,283,001
Other non-current assets - net	14	**233,027,396**	166,060,109	148,190,871
Total Non-current Assets		**19,467,756,551**	20,633,207,161	18,238,479,614
TOTAL ASSETS		**P 62,850,105,522**	P 61,787,290,599	P 57,341,007,876

	Notes	2024	December 31, 2023 (As Restated – see Note 2)	January 1, 2023 (As Restated – see Note 2)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans	15	**P 1,908,200,000**	P 1,527,430,205	P 1,587,254,907
Trade and other payables	16	**5,123,765,855**	4,578,282,611	4,064,589,034
Contract liabilities	19	**86,684,170**	479,315,525	595,562,676
Due to joint venture partners	17	**491,051,555**	493,245,600	386,706,191
Advances from related parties	25	**645,983,964**	692,155,728	851,450,654
Customers' deposits	2	**1,293,781,652**	646,053,302	1,384,011,046
Lease liabilities	13	**45,922,954**	51,944,177	43,931,742
Total Current Liabilities		**9,595,390,150**	8,468,427,148	8,913,506,250
NON-CURRENT LIABILITIES				
Interest-bearing loans	15	**7,603,919,109**	7,966,639,384	6,018,414,593
Contract liabilities	19	**262,195,658**	446,497,334	310,926,830
Customers' deposits	2	**53,829,261**	591,620,464	97,981,763
Retirement benefit obligation	23	**188,592,383**	142,618,469	111,012,219
Deferred tax liabilities - net	24	**3,442,881,985**	3,282,401,885	2,665,766,500
Lease liabilities	13	**419,873,334**	465,796,288	511,064,915
Other non-current liabilities	18	**577,727,973**	495,027,399	513,118,898
Total Non-current Liabilities		**12,549,019,703**	13,390,601,223	10,228,285,718
Total Liabilities		**22,144,409,853**	21,859,028,371	19,141,791,969
EQUITY				
Equity attributable to shareholders of the Parent Company:				
Capital stock	26	**10,986,000,000**	10,986,000,000	10,986,000,000
Additional paid-in capital		**4,747,739,274**	4,747,739,274	4,747,739,274
Revaluation reserves		**52,333,151**	62,666,355	71,504,073
Retained earnings		**18,410,992,600**	17,729,120,394	16,013,019,982
		34,197,065,025	33,525,526,023	31,818,263,329
Non-controlling interest	10	**6,508,630,644**	6,402,736,205	6,380,952,578
Total Equity		**40,705,695,669**	39,928,262,228	38,199,215,907
TOTAL LIABILITIES AND EQUITY		**P 62,850,105,522**	P 61,787,290,599	P 57,341,007,876

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
REVENUES AND INCOME				
Real estate sales	19	**P 5,885,396,891**	P 6,508,829,115	P 5,899,854,122
Hotel operations	19	**956,318,317**	567,165,206	420,470,075
Rental income	19	**584,179,297**	551,559,805	455,961,990
Service income	2	**248,232,198**	191,002,197	138,379,243
Marketing fees	9	**40,897,618**	72,567,468	68,717,195
Finance and other income	20	**1,171,495,292**	447,540,825	346,907,590
		8,886,519,613	8,338,664,616	7,330,290,215
COSTS AND EXPENSES				
Cost of real estate sales	21, 22	**2,422,416,935**	2,798,985,876	2,144,625,053
Cost of hotel operations	21, 22	**528,879,515**	297,442,621	191,572,019
Cost of rentals and services	21, 22	**371,395,395**	365,948,174	319,643,144
Other operating expenses	21	**2,020,349,166**	1,571,114,937	1,487,531,823
Finance costs and other charges	20	**837,329,141**	378,439,296	400,358,698
		6,180,370,152	5,411,930,904	4,543,730,737
PROFIT BEFORE TAX		**2,706,149,461**	2,926,733,712	2,786,559,478
TAX EXPENSE	24	**549,542,890**	816,757,817	702,803,615
NET PROFIT		**2,156,606,571**	2,109,975,895	2,083,755,863
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to consolidated profit or loss				
Remeasurements of retirement benefit plan	23	**(13,777,606)**	(11,783,624)	51,891,084
Tax income (expense)	24	**3,444,402**	2,945,906	(12,972,771)
		(10,333,204)	(8,837,718)	38,918,313
TOTAL COMPREHENSIVE INCOME		**P 2,146,273,367**	P 2,101,138,177	P 2,122,674,176
Net profit attributable to:				
Parent Company's shareholders		**P 1,780,517,595**	P 1,840,185,198	P 1,789,342,344
Non-controlling interest		**376,088,976**	269,790,697	294,413,519
		P 2,156,606,571	P 2,109,975,895	P 2,083,755,863
Total comprehensive income attributable to:				
Parent Company's shareholders		**P 1,770,184,391**	P 1,831,347,480	P 1,828,260,657
Non-controlling interest		**376,088,976**	269,790,697	294,413,519
		P 2,146,273,367	P 2,101,138,177	P 2,122,674,176
EARNINGS PER SHARE	27			
Basic		**P 0.162**	P 0.168	P 0.163
Diluted		**P 0.162**	P 0.167	P 0.162

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Attributable to Owners of the Parent Company						
	Capital Stock (see Note 26)	**Additional Paid-in Capital**	**Revaluation Reserves** (see Notes 23 and 24)	**Retained Earnings** (see Notes 2 and 26)	**Total**	**Non-controlling Interest** (see Note 10)	**Total Equity**
Balance at January 1, 2024							
As previously reported	P 10,986,000,000	P 4,747,739,274	P 62,666,355	P 17,743,085,311	P 33,539,490,940	P 6,402,736,205	P 39,942,227,145
Effect of restatement	-	-	-	(13,964,917)	(13,964,917)	-	(13,964,917)
As restated	10,986,000,000	4,747,739,274	62,666,355	17,729,120,394	33,525,526,023	6,402,736,205	39,928,262,228
Effect of adoption of PFRS 15 and other related interpretations	-	-	-	(1,098,645,389)	(1,098,645,389)	(141,937,716)	(1,240,583,105)
Balance at January 1, 2024, as adjusted	10,986,000,000	4,747,739,274	62,666,355	16,630,475,005	32,426,880,634	6,260,798,489	38,687,679,123
Cash dividends	-	-	-	-	-	(128,256,821)	(128,256,821)
Total comprehensive income (loss) for the year	-	-	(10,333,204)	1,780,517,595	1,770,184,391	376,088,976	2,146,273,367
Balance at December 31, 2024	**P 10,986,000,000**	**P 4,747,739,274**	**P 52,333,151**	**P 18,410,992,600**	**P 34,197,065,025**	**P 6,508,630,644**	**P 40,705,695,669**
Balance at January 1, 2023							
As previously reported	P 10,986,000,000	P 4,747,739,274	P 71,504,073	P 16,026,732,810	P 31,831,976,157	P 6,380,952,578	P 38,212,928,735
Effect of restatement	-	-	-	(13,712,828)	(13,712,828)	-	(13,712,828)
As restated	10,986,000,000	4,747,739,274	71,504,073	16,013,019,982	31,818,263,329	6,380,952,578	38,199,215,907
Cash dividends	-	-	-	(124,084,786)	(124,084,786)	(248,007,070)	(372,091,856)
Total comprehensive income (loss) for the year	-	-	(8,837,718)	1,840,185,198	1,831,347,480	269,790,697	2,101,138,177
Balance at December 31, 2023	P 10,986,000,000	P 4,747,739,274	P 62,666,355	P 17,729,120,394	P 33,525,526,023	P 6,402,736,205	P 39,928,262,228
Balance at January 1, 2022							
As previously reported	P 10,986,000,000	P 4,747,739,274	P 32,585,760	P 14,234,586,078	P 30,000,911,112	P 6,086,539,059	P 36,087,450,171
Effect of restatement	-	-	-	(10,908,440)	(10,908,440)	-	(10,908,440)
As restated	10,986,000,000	4,747,739,274	32,585,760	14,223,677,638	29,990,002,672	6,086,539,059	36,076,541,731
Total comprehensive income for the year	-	-	38,918,313	1,789,342,344	1,828,260,657	294,413,519	2,122,674,176
Balance at December 31, 2022	P 10,986,000,000	P 4,747,739,274	P 71,504,073	P 16,013,019,982	P 31,818,263,329	P 6,380,952,578	P 38,199,215,907

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 2,706,149,461**	P 2,926,733,712	P 2,786,559,478
Adjustments for:				
Finance income	20	**(871,826,272)**	(256,239,353)	(244,526,620)
Loss on refund and sales cancellation	20	**486,290,819**	280,950,630	298,886,075
Depreciation and amortization	21	**365,350,693**	330,610,025	330,598,738
Finance costs	20	**345,576,030**	97,488,666	98,749,939
Impairment loss on trade and other receivables	6, 21	**98,340,811**	-	34,776,037
Foreign currency gains - net	20	**(2,238,530)**	(7,868,325)	(29,525,566)
Equity share in net losses (gains) of associates	20	**674,763**	(885,098)	235,717
Gain on derecognition of payables		**-**	(58,504,431)	(20,121,398)
Operating profit before working capital changes		**3,128,317,775**	3,312,285,826	3,255,632,400
Increase in trade and other receivables		**(981,164,953)**	(1,699,558,442)	(1,585,179,222)
Decrease (increase) in contract assets		**136,915,949**	(1,306,021,278)	(1,353,942,551)
Increase in inventories		**(559,151,588)**	(581,977,105)	(881,383,747)
Increase in prepayments and other current assets		**(374,524,078)**	(782,707,257)	(848,095,211)
Increase in advances to real estate property owners		**(32,557,961)**	(8,764,347)	(37,904,523)
Decrease in refundable deposits		**85,209,560**	1,758,007	13,655,034
Increase in other non-current assets		**(153,239,117)**	(19,625,015)	(247,033)
Increase in trade and other payables		**44,835,340**	344,140,720	180,553,826
Increase (decrease) in contract liabilities		**(48,153,773)**	19,323,353	147,821,073
Increase (decrease) in customers' deposits		**109,937,147**	(244,319,043)	181,598,964
Increase in retirement benefit obligation		**22,927,349**	11,185,840	9,592,881
Increase (decrease) in other non-current liabilities		**143,064,033**	12,021,146	(118,503,793)
Cash generated from (used in) operations		**1,522,415,683**	(942,257,595)	(1,036,401,902)
Interest received		**26,166,971**	20,143,974	37,524,392
Interest paid		**(231,696,522)**	(564,068,008)	(374,998,300)
Cash paid for income taxes		**(44,586,134)**	(15,716,270)	(7,514,090)
Net Cash From (Used in) Operating Activities		**1,272,299,998**	(1,501,897,899)	(1,381,389,900)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investment properties	11	**(751,203,559)**	(53,193,742)	(42,339,442)
Property and equipment	12	**(112,900,727)**	(68,705,344)	(41,517,891)
Software	14	**(1,111,896)**	(2,926,220)	(3,611,795)
Collections of advances to related parties	25	**49,837,874**	162,806,973	89,447,235
Cash advances granted to related parties	25	**(37,780,792)**	(57,716,432)	(48,254,483)
Proceeds from disposals of property and equipment	12	**472,783**	379,464	111,235
Net Cash Used in Investing Activities		**(852,686,317)**	(19,355,301)	(46,165,141)
Balance brought forward		**P 419,613,681**	(P 1,521,253,200)	(P 1,427,555,041)

	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Balance carried forward		**P 419,613,681**	(P 1,521,253,200)	(P 1,427,555,041)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of interest-bearing loans	33	**1,500,000,000**	5,000,000,000	1,500,000,000
Repayments of interest-bearing loans	33	**(1,481,950,480)**	(3,111,599,911)	(1,387,254,904)
Cash dividends paid	10, 26	**(128,256,821)**	(372,091,856)	-
Repayments of advances from related parties	25, 33	**(105,302,405)**	(186,439,309)	(89,307,944)
Repayment of lease liabilities	33	**(63,751,311)**	(62,506,760)	(56,978,875)
Cash advances obtained from related parties	25, 33	**25,408,216**	17,558,165	88,426,531
Redemption of preferred shares	26	**-**	-	(251,597,580)
Net Cash From (Used in) Financing Activities		**(253,852,801)**	1,284,920,329	(196,712,772)
Effects of Exchange Rates Changes on Cash and Cash Equivalents		**2,238,530**	7,868,324	29,525,566
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**167,999,410**	(228,464,547)	(1,594,742,247)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,126,242,354**	2,354,706,901	3,949,449,148
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 2,294,241,764**	P 2,126,242,354	P 2,354,706,901

Supplemental Information on Non-cash Investing and Financing Activities:

(1) In the normal course of business, the Group enters into non-cash transactions such as exchanges or purchases on account of real estate and other assets. Moreover, reclassifications of inventories, property and equipment, and investment properties have been made. These non-cash activities are not reflected in the consolidated statements of cash flows (see Notes 7, 11 and 12).

(2) The Group has effected the offsetting of payments made directly by the sublessee of the Group to the head lessor in relation to its finance lease transaction (see Notes 6 and 13).

(3) In 2023, the Company pre-terminated one of its lease contracts which resulted to the derecognition of the right-of-use asset and lease liability and a gain on pre-termination amounting to P0.5 million presented as part of Gain on derecognition of payables under Finance and Other Income in the 2023 consolidated statement of comprehensive income (see Note 20.1) There was no similar transaction in 2024 and 2022.

(4) In 2023, the Group recognized right-of-use assets and lease liabilities amounting to P9.9 million. In 2022, the Group recognized right-of-use asset and lease liabilities amounting to P48.9 million and P46.0 million, respectively (see Notes 13 and 33). There were no similar transaction in 2024.

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Global-Estate Resorts, Inc. (the Company or GERI) was incorporated in the Philippines on May 18, 1994. It is primarily engaged in the development of integrated tourism and leisure estates, and integrated lifestyle communities with residential, retail, hotel and/or leisure components. The Company also engages in land acquisitions and maintains an inventory of raw land for future development.

The registered office address of the Company, which is also its principal place of business, is located at 9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City.

Megaworld Corporation (Megaworld or the parent company) is the parent company of Global-Estate Resorts, Inc. and subsidiaries (the Group). Megaworld is 70% owned by Alliance Global Group, Inc. (AGI), the Company's ultimate parent company.

Megaworld was incorporated in the Philippines primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. Megaworld is presently engaged in property-related activities such as product design, construction and property management. Megaworld's real estate portfolio includes residential condominium units, subdivision lots and townhouses, as well as office projects and retail spaces. The registered office address of Megaworld, which is also its principal place of business, is located at the 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

AGI is a holding company with diversified investments in real estate, food and beverage, quick service restaurants and tourism-entertainment and gaming businesses. AGI's registered office address, which is also its primary place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City.

The shares of stock of the Company, Megaworld and AGI are listed at the Philippine Stock Exchange.

1.2 Composition of the Group

The Company holds interests in the following subsidiaries (collectively, together with the Company, hereinafter referred to as the Group) as of December 31, 2024 and 2023 (unless otherwise indicated).

Subsidiaries / Associates	Explanatory Notes	Percentage of Ownership
Subsidiaries:		
Global-Estate Properties, Inc. (GEPI)		100%
Aklan Holdings Inc. (AHI)	(a)	100%
Blue Sky Airways, Inc. (BSAI)	(a)	100%
Fil-Estate Subic Development Corp. (FESDC)	(a)	100%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)	(a)	100%
Golden Sun Airways, Inc. (GSAI)	(a)	100%
La Compaña De Sta. Barbara, Inc. (LCSBI)	(a)	100%
MCX Corporation (MCX)	(a)	100%
Pioneer L-5 Realty Corp. (PLRC)	(a)	100%
Prime Airways, Inc. (PAI)	(a)	100%
Sto. Domingo Place Development Corp. (SDPDC)	(a)	100%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a)	100%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a)	79%
Sherwood Hills Development Inc. (SHDI)	(a)	55%
Global-Estate Golf and Development, Inc. (GEGDI)		100%
Golforce, Inc. (Golforce)	(b)	100%
Southwoods Ecocentrum Corp. (SWEC)	(b)	60%
Philippine Aquatic Leisure Corp. (PALC)	(c)	60%
Fil-Estate Urban Development Corp. (FEUDC)		100%
Novo Sierra Holdings Corp. (NSHC)		100%
Elite Communities Property Services, Inc. (ECPSI)	(d)	100%
Savoy Hotel Boracay, Inc. (SHBI)	(e)	100%
Belmont Hotel Boracay, Inc. (BHBI)	(e)	100%
Chancellor Hotel Boracay, Inc. (CHBI)	(e)	100%
Megaworld Global-Estate, Inc. (MGEI)	(f)	60%
Twin Lakes Corp. (TLC)		51%
Twin Lakes Hotel, Inc. (TLHI)	(g)	51%
Oceanfront Properties, Inc. (OPI)		50%
Global Homes and Communities, Inc. (GHCI)		100%
Southwoods Mall, Inc. (SMI)		51%
Elite Club & Leisure Inc. (ECLI)	(i)	100%
Integrated Resorts Property Management Inc. (IRPMI)	(i)	100%
Associates:		
Fil-Estate Network, Inc. (FENI)		20%
Fil-Estate Sales, Inc. (FESI)		20%
Fil-Estate Realty and Sales Associates Inc. (FERSAI)		20%
Fil-Estate Realty Corp. (FERC)		20%
Nasugbu Properties, Inc. (NPI)	(h)	14%

Non-controlling interests (NCI) represent the interests not held by the Group in FEIPI, SHDI, SWEC, PALC, MGEI, TLC, TLHI, OPI and SMI (see Note 10.2).

All subsidiaries and associates were incorporated in the Philippines, operate within the country and are engaged in businesses related to the main business of the Company.

Explanatory notes:

a. Subsidiaries of GEPI; percentage ownership represents effective ownership of GERI.

b. Subsidiaries of GEGDI; percentage ownership represents effective ownership of GERI.

c. Subsidiary of SWEC.

d. Subsidiary acquired in prior years primarily to manage and administer real estate properties.

e. Subsidiaries engaged primarily to operate and manage resort hotels. CHBI is newly incorporated in 2024.

f. Subsidiary acquired in prior years primarily to market the Group's projects.

g. A subsidiary of TLC. TLHI was incorporated in 2018 to operate Twin Lakes Hotel, one of the real estate projects of TLC.

h. Associate because GERI has a representation in the Board of Directors (BOD).

i. Newly incorporated subsidiaries in 2023, ECLI maintains and manages on the business and operations of clubs, resorts and leisure facilities. IRPMI manages and administers real estate properties.

1.3 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022 and the corresponding figures as of January 1, 2023) were authorized for issue by the Company's BOD on March 21, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that has been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to 2024, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC) in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks, for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed and Adopted by the Group

In 2023 and prior years, the Group has availed of several financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry under the following Memorandum Circulars (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

In 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee, and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods Philippine Accounting Standards (PAS) 23, *Borrowing Costs,* using modified retrospective approach as allowed by SEC MC No. 08-2021, *Amendment to* SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 *to clarify transitory provision.*

The adoption of these standards and interpretations has resulted to adjustments to the amounts recognized in the consolidated financial statements as at January 1, 2024, with the cumulative effect recognized in equity as an adjustment to the opening balance of Retained Earnings for the current period.

Discussed below and in the succeeding page are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at January 1, 2024.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P1,112.7 million and Deferred Tax Liabilities – net decreased by P187.0 million as at January 1, 2024.

(ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to* PIC Q&A 2018-12-D: *Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments)*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

As a result of the adoption of this interpretation, Contract Assets decreased by P863.7 million and Contract Liabilities decreased by P548.9 million as at January 1, 2024.

The following table shows the summary of the impact of the adoption of IFRIC Agenda (PAS 23) and PIC Q&A No. 2018-12D on the Group's retained earnings as at January 1, 2024, using modified retrospective approach.

(Amounts in PHP)	Note	**As previously reported**	**Restatement**	**As restated**
Total assets				
Contract assets	2.1b(ii)	5,807,264,015	(863,705,256)	4,943,558,759
Inventories - net	2.1b(i)	21,153,887,807	(1,112,741,399)	20,041,146,408
Total liabilities				
Contract liabilities	2.1b(ii)	(925,812,859)	548,850,337	(376,962,522)
Deferred tax liabilities - net	2.1b(i)	(3,282,401,885)	187,013,213	(3,095,388,672)
			(1,240,583,105)	
Total equity	2.1b(i)(ii)			
Equity attributable to shareholders of the Parent Company		(33,525,526,023)	1,098,645,389	(32,426,880,634)
Non-controlling interest		(6,402,736,205)	141,937,716	(6,260,798,489)
			1,240,583,105	

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with PAS 1, *Presentation of Financial Statements*. The Group presents a consolidated statement of comprehensive income separate from the consolidated statement of income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

The Group's consolidated financial statements have been restated to correct prior period errors associated with lease contracts that did not qualify for recognition exemption under PFRS 16, *Leases*. These errors resulted in the understatement of right of use assets – net (ROUA) by P88.8 million and P98.5 million as of December 31, 2023, and January 1, 2023, respectively. The related lease liabilities were also understated by by P107.4 million and P112.2 million for the same periods (see Note 13). Consequently, retained earnings were overstated by P14.0 million and P13.7 million as of December 31, 2023 and January 1, 2023, respectively. The consolidated financial statements have been restated to reflect these adjustments.

The effects of restatement in the consolidated statements of financial position are summarized as follows:

(Amounts in PHP)	As Previously Reported	Restatement	As Restated
December 31, 2023:			
Change in Non-current Assets			
Right-of-use assets - net	85,981,538	88,759,826	174,741,364
Change in Current Liabilities			
Lease liabilities	(38,660,181)	(13,283,996)	(51,944,177)
Changes in Non-current Liabilities			
Deferred tax liabilities - net	(3,287,056,859)	4,654,974	(3,282,401,885)
Lease liabilities	(371,700,567)	(94,095,721)	(465,796,288)
		(13,964,917)	
Change in Equity			
Retained earnings	(17,743,085,311)	13,964,917	(17,729,120,394)
January 1, 2023:			
Change in Non-current Assets			
Right-of-use assets - net	115,784,192	98,498,809	214,283,001
Change in Current Liabilities			
Lease liabilities	(34,166,129)	(9,765,613)	(43,931,742)
Change in Non-current Liabilities			
Lease liabilities	(408,618,891)	(102,446,024)	(511,064,915)
		(13,712,828)	
Change in Equity			
Retained earnings	(16,026,732,810)	13,712,828	(16,013,019,982)

The effects of restatement in the consolidated statements of comprehensive income are summarized as follows:

(Amounts in PHP)	As Previously Reported	Restatement	As Restated
2023:			
Changes in Net profit and Total Comprehensive Income			
Other operating expenses	1,574,589,050	(3,474,113)	1,571,114,937
Finance costs and other charges	370,058,121	8,381,175	378,439,296
Tax expense	821,412,790	(4,654,973)	816,757,817
		252,089	
Net profit attributable to:			
Parent Company's shareholders	1,840,437,287	(252,089)	1,840,185,198
Earnings per Share:			
Basic	1.68		1.68
Diluted	1.67		1.67
2022:			
Changes in Net profit and Total Comprehensive Income			
Other operating expenses	1,492,773,638	(5,241,815)	1,487,531,823
Finance costs and other charges	392,312,495	8,046,203	400,358,698
		2,804,388	
Net profit attributable to:			
Parent Company's shareholders	1,792,146,732	(2,804,388)	1,789,342,344
Earnings per Share:			
Basic	1.63		1.63
Diluted	1.62		1.62

The effects of restatement in the consolidated statements of cash flows are summarized as follows:

(Amounts in PHP)	As Previously Reported	Restatement	As Restated
2023:			
Cash flows from operating activities			
Profit before tax	2,931,640,774	(4,907,062)	2,926,733,712
Adjustments for:			
Depreciation and amortization	313,717,063	16,892,962	330,610,025
Finance costs	89,107,491	8,381,175	97,488,666
		20,367,075	
Cash flows from financing activities			
Repayment of lease liabilities	(42,139,685)	(20,367,075)	(62,506,760)
Effect on Cash and Cash Equivalents		-	
2022:			
Cash flows from operating activities			
Profit before tax	2,789,363,866	(2,804,388)	2,786,559,478
Adjustments for:			
Depreciation and amortization	318,484,433	12,114,305	330,598,738
Finance costs	90,703,736	8,046,203	98,749,939
		17,356,120	
Cash flows from financing activities			
Repayment of lease liabilities	(39,622,755)	(17,356,120)	(56,978,875)
Effect on Cash and Cash Equivalents		-	

(d) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine Peso, the Group's presentation and functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using the Group's functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments 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 that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(b) Effective Subsequent to 2024 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have a significant impact on the Group's consolidated financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iv) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027). The new standard reduces the disclosure requirements prescribed by other standards for subsidiaries without public accountability. It changes disclosure requirements prescribed by other standards as the reporting entity will instead refer to PFRS 19 for required disclosures.

(v) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely).

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries as enumerated in Note 1.2, after the elimination of material intercompany transactions.

The financial statements of entities in the Group that are prepared as of a date different from that of the date of these consolidated financial statements were adjusted to recognize the effects of significant transactions or events, if any, that occur between that date of their reporting period and the date of these consolidated financial statements. Adjustments are also made to bring into line any dissimilar accounting policies that may exist.

Acquired subsidiaries are subject to either of the following relevant policies:

(a) Business acquisitions of entities not under common control of a principal stockholder are accounted for using the acquisition method of accounting.

(b) Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognize any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method. Acquired investment in associate is subject to the purchase method.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

The Group's financial assets include financial assets at amortized cost which are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables [except for value-added tax (VAT) on contracts with customers, Advances to raw landowners and Advances to officers and employees], Advances to Real Estate Property Owners, Advances to Related Parties, and Refundable deposits (as part of Other Non-current Assets account).

Impairment of Financial Assets

The Group applies the simplified approach in measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade and other receivables, contract assets, and other financial assets carried at amortized cost. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due (see Note 29.2).

The Group applies a general approach specifically, in relation to advances to related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk.

In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of advances to related parties can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

For other financial assets at amortized cost, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

(b) Financial Liabilities

Financial liabilities of the Group include Interest-bearing Loans, Trade and Other Payables (except tax-related liabilities), Advances from Related Parties, Due to Joint Venture Partners, Lease Liabilities and Other Non-current Liabilities account (except Advance rental).

2.5 Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the corresponding contract balances to be derecognized and the cost of the repossessed property is recognized in the consolidated statement of comprehensive income.

2.6 Property and Equipment

Property and equipment, except land, are carried at acquisition or construction cost less subsequent depreciation, amortization for property and equipment and any impairment losses. As no finite useful life for land can be determined, the related carrying amount are not depreciated.

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

Building	50 years
Building and office improvements	5-10 years
Transportation and other equipment	5 years
Office furniture, fixtures and equipment	3-5 years

2.7 Investment Properties

Investment properties consist of parcels of land and buildings, including those under construction, held or intended for lease or for capital appreciation or both. These properties are carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation.

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

Building and improvements	25-50 years
Land development and improvements	20 years

2.8 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, hotel operations and leasing activities. The Group's leasing activities are accounted for under PFRS 16 (see Note 2.9).

The Group develops real properties such as developed land, house and lot, and condominium units. The Group often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

(a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales account under Revenues and Income section in the consolidated statement of comprehensive income.

(b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Real Estate Sales account under Revenues and Income section in the consolidated statement of comprehensive income. For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from sales is used by the Company, GEPI, TLC, OPI, GEGDI and FEUDC.

(c) *Hotel operations* – Revenues from room accommodation and services are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer. For food and beverage, revenue is recognized at a point in time upon delivery to and receipt of food and beverage by the customer.

(d) *Service income* – Revenue is recognized over time (i.e., time-and-materials basis as the services are provided) until the performance of contractually agreed tasks has been substantially rendered. Service income comprises fees from maintenance of golf course and management fees. This amounts to P248.2 million, P191.0 million, and P138.4 million in 2024, 2023, and 2022, respectively, comprises fees from maintenance of golf course and management fees.

(e) *Marketing fees* – Revenue is recognized over time in the same amount to which the entity has the right of invoice to the customer. Any amounts remaining unbilled at the end of the reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

Incremental costs of obtaining a contract to sell real property to customers are recognized as part of Prepayments and Other Current Assets and is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

Cost of real estate sales include the acquisition of cost of the land, development costs incurred to date and estimated costs to complete the project, determined based on estimates made by the project engineers.

In determining the transaction price, the Group adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Group recognizes interest expense which is presented as part of Finance Cost and Other Charges in the consolidated statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Group recognizes interest income which is presented as part of Finance and Other Income in the consolidated statement of comprehensive income.

The Group applies the practical expedient under PFRS 15 where the promised amount of consideration is no longer adjusted for the effects of significant financing component when the Group expects, at contract inception, that the period between when the Group transfers the promised good or service to a customer and when the customer pays for such good or service will be one year or less. The significant judgment used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(d).

Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.4(a)].

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the liabilities section of the consolidated statement of financial position

2.9 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in consolidated profit or loss on a straight-line basis over the lease term.

(b) Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease.

2.10 Impairment of Non-financial Assets

The Group's investments in associates, investment properties, property and equipment, right-of-use assets and other non-financial assets are subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.11 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits. The Group's post-employment defined benefit pension plans covers all regular full-time employees. The pension plans are tax-qualified and non-contributory.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

2.12 Share-based Employee Remuneration

The Group grants share options to key executive officers eligible under a stock option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions), if any. The share-based remuneration is recognized as an expense in profit or loss with a corresponding credit to retained earnings.

The expense is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number that ultimately vests on vesting date. No subsequent adjustment is made to expense after vesting date, even if share options are ultimately not exercised.

Upon exercise of share option, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to capital stock with any excess being recorded as additional paid-in capital.

2.13 Basic and Diluted Earnings per Share

Basic earnings per share (EPS) is computed by dividing consolidated net profit by the weighted average number of common shares issued and outstanding during the period, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of common shares outstanding to assume conversion of potentially dilutive shares. Currently, the Group's potentially dilutive shares consist only of share options (see Note 27).

2.14 Borrowing Costs

Borrowing costs, which consists of interest and other costs that the Group incurs in connection with borrowing of funds, are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Prior to January 1, 2024, borrowing costs are capitalized as part of inventories that are actively being prepared for their intended use or sale. However, starting January 1, 2024, these inventories are no longer considered as qualifying assets, and any related borrowing costs will be expensed as incurred [(see Notes 2.1(b)(i) and 7)].

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the judgments below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) *Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

The Group determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus, would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Group considers whether the lessor can refuse to agree to a request from the Group to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

(b) Evaluation of the Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Group exercises significant judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time.

In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determines that its performance obligation for pre-completed real estate properties is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. On the other hand, performance obligation for completed real estate properties is satisfied at a point in time when the control over the real estate property is transferred to the buyer.

(ii) Hotel Operations

The Group determines that its revenue from hotel operations shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other companies. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of hotel services as it performs.

In determining the appropriate method to use in recognizing the Group's revenues from food, beverage and other consumer goods, management assesses that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e. generally when the customer acknowledged delivery of goods. The service component of the restaurant operations is deemed as an insignificant cause on the timing of satisfaction of performance obligation since it is only passage of time until the customer receives and consumes all the benefits after delivery of the food and beverage items.

(iii) Service and Other Income

The Group determines that its revenue from services shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group applies the practical expedient to recognize revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date i.e., generally when the customer has acknowledged the Group's right to invoice.

(iv) Forfeited Collections and Deposits

The Group determines that its revenue from forfeited collections and deposits shall be recognized at point in time in the year the contract was cancelled.

(c) Determining Existence of a Contract with Customer

The Group uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition.

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is either at the pre-selling stage or completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(e)].

Collectability is also assessed by considering factors such as past history with the customer 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.

(d) Determination of the Existence of the Significant Financing Component in the Contract

The Group enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Group's fulfillment of its performance obligations. The Group exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Group or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) Determination of Collection Threshold for Revenue Recognition

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(f) Determination of ECL on Trade and Other Receivables, Contract Assets and Advances to Related Parties

The Group uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for group of various customer segments that have similar loss patterns (i.e., product type, customer type, and coverage by letters of guarantee and other forms of credit insurance).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions).

With respect to Advances to Related Parties and other related party receivables, the Group uses the liquidity approach as the receivables are collectible on demand.

Details about the ECL on the Group's trade and other receivables, contract assets and advances to related parties are disclosed in Note 29.2(b) and (c).

(g) Distinction among Investment Properties and Owner-occupied Properties

The Group determines whether an asset qualifies as an item of investment properties or owner-occupied property. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the operations of the Group or for administrative purposes.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment properties only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment properties. The Group considers each property separately in making its judgment.

(h) Distinction Between Real Estate Inventories and Investment Properties

Residential and condominium units comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgment.

(i) Evaluation of Change in Use for Transfers to, or from, Investment Properties

The transfers to, or from, investment properties are made when and only when there is a change in use for such property. A mere change in management's intention does not provide sufficient evidence of such a change. Therefore, management exercises judgment in assessing whether the definition of investment property is met by evaluating all relevant facts and circumstances to determine if there is substantive evidence supporting a change in use.

(j) Determination of Significant Influence over Entities in which the Group Holds Less than 20% Ownership

The Group determines whether significant influence exists over an investee company over which the Group holds less than 20% of the investee's capital stock. The Group considers the ability to influence the operating and financial policies of the investee, representation on the board of directors of the investee, provision of essential technical information for the development of the various projects of these investees, and routine participation in management decisions in making its judgment.

Based on management's judgment, the Group considers that it has significant influence over investees when it has board representation which allows them to participate in the financial and operating policy decisions but has no control or joint control of those policies (see Note 1).

(k) Consolidation of Entities in which the Company Holds 50% Ownership or Less

Management considers that the Group has de facto control over OPI even though it does not hold more than 50% of the ordinary shares and voting rights of this subsidiary due to the factors discussed below.

The Group holds 50% equity interest over OPI and has: (1) the ability to direct the relevant activities of the subsidiary; (2) the rights to variable returns from its involvement with the subsidiary; and, (3) the ability to use its power to affect its returns from its involvement with the subsidiary. Based on management's judgment, the Company has control over OPI; hence, the said subsidiary was consolidated in the financial statements of the Group.

(l) Distinction Between Operating and Finance Leases

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management assessment, the Group's lease agreements, as lessor, are classified either operating or finance leases.

(m) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 28.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed below and in the succeeding pages.

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using the effective interest rate on the most recent loan. Since the date of the availment is near the initial date of application, management is satisfied that the selected rate reflects the risks specific to the Group.

(b) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in profit or loss in the subsequent period.

(c) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(d) Determination of Appropriate Discount Rate in Measuring Significant Financing Component

In the sale of real estate properties, the transaction price is recognized at the present value of the installment payments discounted to the date the entity expects to satisfy its performance obligation.

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity.

Specifically, for contracts classified as 'seller financing,' the Group bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction. For contracts classified as 'buyer financing,' the Group estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Group is considered the borrower.

(e) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 29.2.

(f) Determination of Net Realizable Value of Inventories

In determining the net realizable value (NRV) of inventories, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of these assets is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation and uncertainty and may cause significant adjustments to the Group's inventories within the next reporting period. In evaluating net realizable value of inventories, recent market conditions and current market prices have been considered. The carrying value of inventories is disclosed in Note 7.

(g) Fair Value of Stock Options

The Group estimates the fair value of the executive stock option by applying an option valuation model, taking into account the terms and conditions on which the executive stock option was granted. The estimates and assumptions used are presented in Note 26.3, which include, among other things, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price and fair value of the Company's common shares. Changes in these factors can affect the fair value of stock options at grant date.

(h) Estimation of Useful Lives of Investment Properties, Property and Equipment and Right-of-use Assets

The Group estimates the useful lives of investment properties, property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties, property and equipment, and right-of-use 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 assets.

The carrying amounts of investment properties, property and equipment, and right-of-use assets are analyzed in Notes 11, 12 and 13, respectively. Based on management's assessment as at December 31, 2024 and 2023, there are no changes in the estimated useful lives of those assets as of the end of the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(i) Fair Value Measurement of Investment Properties

Investment properties is measured using the cost model. The Group determines the fair values of building and building improvements earning rental income through discounted cash flows valuation technique since the information on current or recent prices of assumptions underlying the discounted cash flow approach of investment properties is not available. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates.

These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

For land and land development and improvements, the Group determines the fair value of land through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 11 and 31.3.

(j) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized within the prescribed period of availment. The carrying value of deferred tax assets as of those dates is disclosed in Note 24.

(k) Impairment of Non-financial Assets

Impairment review is required to be performed when certain impairment indicators are present. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses were recognized on investment properties, property and equipment, and right-of-use assets and other non-financial assets for the years ended December 31, 2024, 2023 and 2022 (see Notes 11, 12 and 13).

(l) Valuation of Post-employment Defined Benefit Obligation

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the retirement benefit obligation in the next reporting period.

The amounts of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 23.2.

4. SEGMENT INFORMATION

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is engaged in the development of residential and office units including urban centers integrating office, residential and commercial components. The Real Estate segment pertains to the development and sale of residential and office projects. The Rental segment includes leasing of office and commercial spaces. The Hotel Operations segment includes hotel services, sale of food and beverages, and parties and events services. The Service Income segment relates to maintenance of golf courses. The Corporate and Others segment includes marketing services, general and corporate income and expense items. The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

4.2 Segment Assets and Segment Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, real estate inventories, property and equipment, and investment properties, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages and taxes currently payable and accrued liabilities. Segment assets and segment liabilities do not include deferred taxes.

4.3 Intersegment Transactions

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

4.4 Analysis of Segment Information

The tables presented below and in the succeeding pages present revenue and profit information regarding industry segments for the years ended December 31, 2024, 2023 and 2022 and certain asset and liability information regarding segments at December 31, 2024, 2023 and 2022.

	2024					
(Amounts in PHP)	**Real Estate**	**Rental**	**Hotel Operations**	**Service Income**	**Corporate and Others**	**Total**
TOTAL REVENUES						
Sales to external customers	6,404,851,164	584,179,297	956,318,317	248,232,198	160,498,774	8,354,079,750
Intersegment sales	-	134,526,804	-	159,147,889	131,865,228	425,539,921
Total revenues	**6,404,851,164**	**718,706,101**	**956,318,317**	**407,380,087**	**292,364,002**	**8,779,619,671**
RESULTS						
Segment results	1,962,070,821	237,515,160	123,985,349	24,632,934	146,500,696	2,494,704,960
Unallocated expenses	-	-	-	-	-	-
Income from operations						2,494,704,960
Finance income	355,101,996	-	-	-	202,593,298	557,695,294
Finance cost	-	-	-		(345,576,030)	(345,576,030)
Equity in net earnings of associates	-	-	-	-	(674,763)	(674,763)
Income before tax						2,706,149,461
Tax expense						(549,542,890)
Net profit before non-controlling interest						2,156,606,571
Non-controlling interest share in net profit						376,088,976
Net profit after non-controlling interest						**1,780,517,595**

	2024					
(Amounts in PHP)	**Real Estate**	**Rental**	**Hotel Operations**	**Service Income**	**Corporate and Others**	**Total**
ASSETS AND LIABILITIES						
Segment assets	49,569,785,061	7,247,997,819	1,382,733,899	450,331,180	2,805,674,246	61,456,522,205
Investments in and advances to associates and other parties		-	-	-	1,287,208,619	1,287,208,619
Deferred tax assets	475,434		104,994,663	904,601	-	106,374,698
Total assets	**49,570,260,495**	**7,247,997,819**	**1,487,728,562**	**451,235,781**	**4,092,882,865**	**62,850,105,522**
Segment liabilities	16,482,180,950	506,091,985	1,328,658,162	301,049,541	83,547,231	18,701,527,869
Deferred tax liabilities	3,442,881,985	-	-	-	-	3,442,881,985
Total liabilities	**19,925,062,935**	**506,091,985**	**1,328,658,162**	**301,049,541**	**83,547,231**	**22,144,409,854**
OTHER SEGMENT INFOMRATION						
Project and capital expenditures	**3,083,010,045**	**649,719,792**	**10,675,135**	**3,129,797**	**98,406,319**	**3,844,941,088**
Depreciation and amortization	**36,846,113**	**273,916,907**	**16,379,618**	**5,917,628**	**32,290,427**	**365,350,693**

	2023 [As Restated – see Note 2.1 (c)]					
(Amounts in PHP)	Real Estate	Rental	Hotel Operations	Service Income	Corporate and Others	Total
TOTAL REVENUES						
Sales to external customers	6,980,858,625	551,559,805	567,165,206	191,002,197	262,983,842	8,553,569,675
Intersegment sales	-	88,920,815	-	128,436,082	95,278,350	312,635,247
Total revenues	6,980,858,625	640,480,620	567,165,206	319,438,279	358,262,192	8,866,204,922
RESULTS						
Segment results	2,277,381,417	279,694,098	34,398,414	25,523,604	150,100,394	2,767,097,927
Unallocated expenses	-	-	-	-	-	-
Income from operations						2,767,097,927
Finance income	165,624,824	-	-	-	90,614,529	256,239,353
Finance cost	-	-	-	-	(97,488,666)	(97,488,666)
Equity in net earnings of associates	-	-	-	-	885,098	885,098
Income before tax						2,926,733,712
Tax expense						(816,757,817)
Net profit before non-controlling interest						2,109,975,895
Non-controlling interest share in net profit						269,790,697
Net profit after non-controlling interest						1,840,185,198
ASSETS AND LIABILITIES						
Segment assets	49,844,828,238	6,311,850,455	1,212,463,241	380,361,097	2,668,294,302	60,417,797,333
Investments in and advances to associates and other parties	-	-	-	-	1,299,940,464	1,299,940,464
Deferred tax assets	-	-	69,390,142	162,660	-	69,552,802
Total assets	49,844,828,238	6,311,850,455	1,281,853,383	380,523,757	3,968,234,766	61,787,290,599
Segment liabilities	16,420,755,978	524,656,277	1,045,192,215	254,601,763	331,420,253	18,576,626,486
Deferred tax liabilities	3,282,401,885	-	-	-	-	3,282,401,885
Total liabilities	19,703,157,863	524,656,277	1,045,192,215	254,601,763	331,420,253	21,859,028,371
OTHER SEGMENT INFOMRATION						
Project and capital expenditures	4,127,443,883	53,193,742	7,796,894	10,228,540	40,448,399	4,239,111,458
Depreciation and amortization	42,107,993	250,417,287	7,715,118	3,974,752	26,394,875	330,610,025

(Amounts in PHP)	Real Estate	Rental	Hotel Operations	Service Income	Corporate and Others	Total
	2022 [As Restated – see Note 2.1 (c)]					
TOTAL REVENUES						
Sales to external customers	6,141,965,484	455,961,990	420,470,075	138,379,243	171,098,165	7,327,874,957
Intersegment sales	-	70,388,556	-	93,089,325	267,646,086	431,123,967
Total revenues	6,141,965,484	526,350,546	420,470,075	231,468,568	438,744,251	7,758,998,924
RESULTS						
Segment results	2,321,199,748	185,959,030	29,450,759	24,082,354	80,326,623	2,641,018,514
Unallocated expenses	-	-	-	-	-	-
Income from operations						2,641,018,514
Finance income	158,725,173	-	-	-	85,801,447	244,526,620
Finance cost	-	-	-	-	(98,749,939)	(98,749,939)
Equity in net earnings of associates	-	-	-	-	(235,717)	(235,717)
Income before tax						2,786,559,478
Tax expense						(702,803,615)
Net profit before non-controlling interest						2,083,755,863
Non-controlling interest share in net profit						294,413,519
Net profit after non-controlling interest						1,789,342,344
ASSETS AND LIABILITIES						
Segment assets	45,235,675,627	5,902,349,230	1,076,546,210	360,809,252	3,311,825,543	55,887,205,862
Investments in and advances to associates and other parties	-	-	-	-	1,404,145,907	1,404,145,907
Deferred tax assets	-	-	49,324,742	331,365	-	49,656,107
Total assets	45,235,675,627	5,902,349,230	1,125,870,952	361,140,617	4,715,971,450	57,341,007,876
Segment liabilities	14,266,193,447	663,340,867	866,792,834	233,749,039	445,949,282	16,476,025,469
Deferred tax liabilities	2,665,766,500	-	-	-	-	2,665,766,500
Total liabilities	16,931,959,947	663,340,867	866,792,834	233,749,039	445,949,282	19,141,791,969
OTHER SEGMENT INFOMRATION						
Project and capital expenditures	3,778,828,361	204,570,616	1,428,367	486,906	39,936,971	4,025,251,221
Depreciation and amortization	41,270,490	244,830,082	17,381,792	4,226,007	22,890,367	330,598,738

4.5 *Analysis of Segment Information*

Presented below is a reconciliation of the Group's net revenues to the revenues presented in its consolidated statements of comprehensive income.

(Amounts in PHP)	**2024**	2023	2022
Net Revenues			
Total segment revenues	**8,779,619,671**	8,866,204,922	7,758,998,924
Elimination of intersegment revenues	**(425,539,921)**	(311,750,149)	(431,123,967)
Day-one loss on installment contract receivables	**(25,255,431)**	(472,029,510)	(242,111,362)
Revenues as reported in profit or loss revenues*	**8,328,824,319**	8,082,425,263	7,085,763,595

**excluding Finance income (see Note 20.1)*

There are no revenues from a single customer amounting to 10% or more of the Group's revenue.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at the end of the reporting periods:

(Amounts in PHP)	**2024**	2023
Cash on hand and in banks	**2,187,689,636**	1,703,569,334
Short-term placements	**106,552,128**	422,673,020
	2,294,241,764	2,126,242,354

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements are made between seven to 90 days at prevailing market interest rates and earn effective interest ranging from 0.20% to 5.85% in 2024 and 0.20% to 6.00% in 2023.

Interest income earned from cash in banks and short-term placements is included as part of Finance income under the Finance and Other Income account in the consolidated statements of comprehensive income (see Note 20.1).

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following as at December 31:

(Amounts in PHP)	Notes	**2024**	2023
Current:			
Installment contracts and other trade receivables		**10,655,757,958**	7,856,726,193
Unearned discount and interest		**(60,577,303)**	(30,946,083)
VAT on contracts with customers		**946,279,179**	833,838,726
Advances to officers and employees	25.3	**225,637,939**	216,413,553
Advances to raw landowners		**58,679,810**	58,675,484
Finance lease receivable	28.1	**2,873,035**	2,017,326
Others		**377,173,916**	351,772,510
		12,205,824,534	9,288,497,709
Allowance for impairment		**(638,683,111)**	(540,342,300)
		11,567,141,423	8,748,155,409
Non-current:			
Installment contracts receivable		**3,294,101,605**	4,774,002,839
Unearned discount and interest		**(254,058,929)**	(614,128,207)
VAT on contracts with customers		**404,734,255**	554,448,569
Finance lease receivable	28.1	**312,241,483**	315,114,518
		3,757,018,414	5,029,437,719

Instalment contract receivables represent receivables from sale of real estate and resort shares for sale and are normally collectible monthly within one to five years. The titles to the real estate and resort shares sold remain with the Group until such receivables are fully collected. The instalment period of sales contracts averages from three to five years.

Instalment contract receivables are noninterest-bearing and are measured at amortized cost using the effective interest method based on the interest rate of comparable financial instruments in the market. Interest income from amortization amounted to P669.2 million, P165.6 million and P115.7 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance income under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 20.1).

Meanwhile, the related day-one loss on the discounting of the interest-free instalment contracts receivables amounting to P25.3 million, P472.0 million and P242.1 million in 2024, 2023 and 2022, respectively, is presented as a deduction against the Real Estate Sales account in the consolidated statements of comprehensive income.

VAT on contracts with customers represents the VAT component of the contract price of real estate sales to the extent recognized either as instalment contract receivables or contract assets.

Advances to officers and employees are noninterest-bearing, unsecured and settled through salary deduction or liquidation.

Advances to raw landowners are cash advances pertaining to amounts advanced by the Group to certain raw landowners as down payment for lots to be acquired for future real estate development.

Finance lease receivables pertain to the sublease of certain development rights to a third party. Interest income on the finance lease amounted to P24.8 million, P34.4 million and P38.4 million in 2024, 2023 and 2022, respectively, and are presented as part of Finance Income under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 20.1). The Group has effected the offsetting of payments made directly by the Group's sublessee to the head lessor in relation to its finance lease transaction (see Note 13).

Other receivables include interest receivable from third parties and receivable from buyers arising from payments of real property taxes initially assumed by the sellers.

All of the Group's trade and other receivables have been reviewed for impairment. In 2024, certain rent receivables assessed to be impaired amounting to P98.3 million and is presented as part of Other Operating Expenses under Cost and Expenses in the consolidated statements of comprehensive income (see Note 21). In 2022, certain rent receivables assessed to be no longer collectible were written off amounting P34.8 million, and is presented as part of Other Operating Expenses under Cost and Expenses in the consolidated statements of comprehensive income (see Note 21). In 2023, the managements assessed that no additional impairment loss is needed to be recognized.

As of December 31, 2024 and 2023, certain past due accounts are not provided with allowance for impairment to the extent of the expected market value of the property sold to the customer since the titles to the real estate properties sold remain with the Group until such receivables are fully collected. This assessment is undertaken each financial year using the simplified approach in measuring ECL as fully disclosed in Note 29.2(b).

7. INVENTORIES

Except for the portion of Golf and resorts shares for sale stated at NRV, inventories at the end of 2024 and 2023 were stated at cost. The details of inventories are shown below.

(Amounts in PHP)	**2024**	2023
At cost:		
Real estate for sale	**11,500,692,675**	12,484,331,868
Property development cost	**2,828,511,998**	3,206,252,832
Raw land inventory	**2,551,674,081**	2,551,540,292
	16,880,878,754	18,242,124,992
Golf and resort shares for sale at NRV:		
At cost	**3,019,394,917**	3,000,174,317
Allowance for impairment	**(88,411,502)**	(88,411,502)
	2,930,983,415	2,911,762,815
	19,811,862,169	21,153,887,807

Real estate for sale mainly pertains to the accumulated costs incurred in developing the Group's horizontal and condominium projects and certain integrated-tourism projects.

Property development costs include on-going costs incurred by the Group for its own projects. In addition, this account also includes the costs incurred by the Group for the joint development of various projects that are treated as joint operations; there were no separate entities created by these joint venture agreements. The joint operations are undertaken under project agreements with different partner operators. The costs relating to these joint projects represent the amount of investments placed by the Group as original investor/developer or the amount assigned/transferred to the Group by associates or by related parties who were the original investors/developers in the project agreement.

In 2024, the Company reclassified projects from property development costs and real estate for sale amounting to P797.8 million to Investment Property. Also, Investment Properties under Building and Improvements with a carrying amount of P9.4 million were reclassified to Inventories. In 2022, the Group reclassified property development cost and real estate for sale with a total carrying amount of P84.1 million to investment properties as such properties are held to earn rentals (see Note 11). Also, the Group reclassified property and equipment with a total carrying amount of P5.9 million to property development cost (see Note 12). There was no similar transaction in 2023.

Raw land inventory pertains to acquisition costs of raw land intended for future development of real estate for sale, including other costs and expenses incurred to effect the transfer of title of the property to the Group.

Golf and resort shares for sale pertain to proprietary or membership shares (landowner shares and founders shares) that are of various types and costs. The cost of the landowner resort shares is based on the acquisition and development costs of the land and the project. The cost of the founders shares is based on the par value of the resort shares which is P100 per share.

Prior to adoption of the IFRIC Agenda Decision on PAS 23, borrowing costs capitalized in 2023 as part of inventories amounted to P1,112.7 million (nil in 2024), which represents the costs incurred on the general and specific borrowings obtained by the Group to fund its construction projects [see Notes 2.1(b)(i) and 15].

As at December 31, 2024 and 2023, the Group neither has other contingent liabilities with regard to the joint operations nor the remote probability of loss that may arise from contingent liabilities.

No impairment losses related to inventories were recognized in 2024 and 2023. None of the Group's inventories are used as collateral for its interest-bearing loans and borrowings.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The composition of this account is shown below.

(Amounts in PHP)	Note	**2024**	2023
Advances to contractors and suppliers		**2,020,966,838**	2,051,161,061
Input VAT		**761,398,340**	904,461,304
Deferred commission	19.3	**714,909,698**	494,720,240
Creditable withholding tax		**598,591,942**	571,446,257
Prepayments		**349,087,496**	339,637,192
Deferred input VAT		**64,059,680**	39,084,903
Others		**143,995,758**	130,609,467
		4,653,009,752	4,531,120,424
Allowance for impairment		**(18,716,925)**	(18,716,925)
		4,634,292,827	4,512,403,499

Advances to contractors and suppliers pertain to amounts advanced to the Group's contractors and suppliers as down payment for services to be rendered and goods to be delivered to the Group for the development of real estate projects for sale.

Deferred commission represents incremental costs of obtaining a contract to sell real estate property to customers, which are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

9. ADVANCES TO REAL ESTATE PROPERTY OWNERS

This account represents advances to real estate property owners and various charges in connection with several project agreements entered into by the Group. The terms of the agreements provide that the Group will undertake the improvement, subdivision and development of the properties. The agreements further stipulate that the Group and the property owners share either in the form of the developed real estate properties or upon collection of sales proceeds using certain pre-agreed sharing ratios. Collections of the advances from the said property owners are generally received upon sale of property owners' shares in the projects.

The outstanding amounts, net of unearned discount and interest, at the end of the reporting period are as follows:

(Amounts in PHP)	**2024**	2023
Advances to real estate property owners	**1,392,878,251**	1,364,223,963
Unearned discount and interest	**(23,453,147)**	(27,356,820)
	1,369,425,104	1,336,867,143

The advances to real estate property owners are classified in the consolidated statements of financial position as follows:

(Amounts in PHP)	**2024**	2023
Current	**45,424,169**	43,536,149
Non-current	**1,324,000,935**	1,293,330,994
	1,369,425,104	1,336,867,143

The net commitment for construction expenditures of the Group amounted to:

(Amounts in PHP)	**2024**	2023
Total commitment for construction expenditures	**7,616,013,863**	6,639,652,108
Total expenditures incurred	**(6,489,610,354)**	(6,101,390,891)
Net commitment	**1,126,403,509**	538,261,217

The list of the Group's jointly controlled projects (which are not jointly-controlled entities) are as follows:

- Alabang West
- Caliraya Spring
- Eastland Heights
- Kingsborough
- Monte Cielo de Peñafrancia
- Mountain Meadows
- Lialto Beach and Golf Estates
- Pahara at Southwoods
- Sta. Barbara Heights Phase 2 & 3
- Sta Barbara Heights Shophouse District
- The Hamptons Caliraya
- The Fifth

As at December 31, 2024 and 2023, the Group has neither other contingent liabilities with regard to these joint operations nor has assessed that the probability of loss that may arise from contingent liabilities is remote.

The amortization of unearned discount and interest amounting to P23.5 million, P27.3 million and P27.3 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance income under the Finance and Other Income account under the Revenues and Income section in the consolidated statements of comprehensive income (see Note 20.1).

The real estate property owners related to the Alabang West, Pahara at Southwoods, Eastland Heights and The Hamptons Caliraya projects were charged marketing fees in 2024, 2023 and 2022 amounting to P40.9 million, P72.6 million and P68.7 million, respectively, which are presented as Marketing fees under the Revenues and Income section in the consolidated statements of comprehensive income.

All of the Group's advances have been analyzed for ECL. Based on management's evaluation, the expected loss is not significant [see Note 29.2(c)].

10. INVESTMENTS IN ASSOCIATES AND NON-CONTROLLING INTERESTS

10.1 Investments in Associates

The components of the carrying values of investments in associates accounted for under the equity method at the end of the reporting periods are as follows:

(Amounts in PHP)	**2024**	2023
Acquisition costs - NPI	**734,396,528**	734,396,528
Accumulated equity share in net losses –		
Balance at beginning of year	**(2,314,195)**	(3,199,293)
Equity share in net income (losses) for the year	**(674,763)**	885,098
Balance at end of year	**(2,988,958)**	(2,314,195)
	731,407,570	732,082,333

The Group share in net income from its investment in associates is presented as part of Miscellaneous under Finance and Other Income, while the share in net loss from its investment in associate is presented as part of Miscellaneous under Finance and Other Cost in the statements of comprehensive income (see Note 20).

Investments in FENI, FESI, FERSAI and FERC were written-off in previous years.

Significant influence that exists in these associates is brought about by the Group's provision of essential technical information for the development of the various projects of these investee companies.

The place of incorporation, which is also the principal place of business, of the Group's associates is presented below.

(a) NPI, FESI – Renaissance Towers, Meralco Avenue, Pasig City
(b) FERC, FENI, FERSAI – Paragon Plaza, Reliance St., Mandaluyong City

The aggregated amounts of assets, liabilities, revenues and net loss of NPI are as follows:

(Amounts in PHP)	**2024**	2023
Current assets	**2,823,943**	140,962,670
Non-current assets	**5,594,585,843**	5,456,228,817
Current liabilities	**1,248,174,811**	1,243,127,835
Revenues	**104**	474
Net loss	**5,194,765**	3,263,442

NPI does not have any non-current liabilities as of December 31, 2024 and 2023.

The reconciliation of the above summarized information to the carrying amount of the interest in NPI is as follows:

(Amounts in PHP)	**2024**	2023
Net assets at end of year	**4,349,243,915**	4,354,063,652
Equity ownership interest	**14%**	14%
	608,894,148	609,568,911
Nominal goodwill	**122,513,422**	122,513,422
Balance at end of year	**731,407,570**	732,082,333

The fair values of the associates' shares of stock are not available as of the end of the reporting periods.

As of December 31, 2024 and 2023, the investment in an associate is not impaired due to the active efforts of the management to raise funds in order to push through with the associate's projects.

10.2 Subsidiaries with Material Non-controlling Interests

The Group includes subsidiaries with material NCI, with details shown below.

(Amounts in PHP)		**Proportion of Ownership Interest and Voting Rights Held by NCI**		**Profit Allocated to NCI**		**Accumulated NCI**	
Name of Subsidiary	**Material NCI**	**2024**	2023	**2024**	2023	**2024**	2023
TLC	Various stockholders	**49%**	49%	**190,311,317**	120,202,218	**4,166,750,126**	3,976,438,809
SMI	Megaworld	**49%**	49%	**8,162,262**	44,021,663	**1,274,321,758**	1,266,159,496
OPI	Various stockholders	**50%**	50%	**75,998,455**	64,906,325	**534,086,592**	458,088,137
SWEC	Various stockholders	**40%**	40%	**84,094,193**	15,746,129	**530,880,731**	446,786,538

In 2024, OPI and SWEC declared and paid cash dividends to the NCI amounting to P60.0 million, and P68.3 million, respectively. In 2023, SMI, OPI and SWEC declared and paid cash dividends to the NCI amounting to P157.9 million, P50.0 million, and P40.1 million, respectively, and is presented in the consolidated statements of changes in equity. There was no similar transaction in 2022.

The place of incorporation of TLC, SMI, SWEC and OPI is summarized below.

(a) TLC and SMI – Renaissance Towers, Meralco Avenue, Pasig City
(b) SWEC – Southwoods Ecocentrum, Brgy. Soro-Soro, Biñan, Laguna
(c) OPI – 5th Floor, F&M Lopez II Building, 109 C. Palanca St., Legaspi Village, Makati City

10.3 Interest in Unconsolidated Structured Entities

The Group has no interests in unconsolidated structured entities.

The summarized financial information of TLC, SMI, SWEC and OPI, before intragroup eliminations, are shown below.

(Amounts in PHP)	TLC		SMI		SWEC		OPI	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Current assets	**7,098,951,929**	6,389,344,755	**509,008,792**	514,631,990	**1,133,125,437**	972,742,441	**1,088,982,315**	891,555,932
Non-current assets	**5,699,242,304**	6,233,014,505	**2,539,347,206**	2,667,913,782	**362,032,732**	414,235,866	**584,419,333**	723,786,379
Total assets	**12,798,194,233**	12,622,359,260	**3,048,355,998**	3,182,545,772	**1,495,158,169**	1,386,978,307	**1,673,401,648**	1,615,342,311
Current liabilities	**1,611,895,319**	1,301,624,545	**598,829,127**	673,359,322	**225,695,527**	186,117,317	**674,285,123**	673,518,940
Non-current liabilities	**2,840,808,609**	3,062,873,933	**165,413,213**	241,730,470	**254,697,885**	218,584,477	**190,896,957**	165,600,711
Total liabilities	**4,452,703,928**	4,364,498,478	**764,242,340**	915,089,792	**480,393,412**	404,701,794	**865,182,080**	839,119,651
Equity attributable to shareholders of the Company	**4,256,200,056**	4,211,508,999	**1,164,897,966**	1,156,402,550	**608,858,854**	589,365,908	**404,109,785**	388,111,330
Non-controlling interests	**4,089,290,249**	4,046,351,783	**1,119,215,692**	1,111,053,430	**405,905,903**	392,910,605	**404,109,783**	388,111,330
Revenue	**1,629,441,797**	1,176,718,608	**385,718,952**	370,649,864	**416,371,465**	137,269,827	**346,477,942**	490,278,493
Profit for the year attributable to shareholders of the Company	**198,079,126**	125,108,430	**8,495,416**	45,818,466	**126,141,290**	23,619,193	**75,998,455**	64,906,325
Profit for the year attributable to NCI	**190,311,317**	120,202,218	**8,162,262**	44,021,663	**84,094,193**	15,746,129	**75,998,455**	64,906,325
Profit for the year	**388,390,443**	245,310,648	**16,657,678**	89,840,129	**210,235,483**	39,365,322	**151,996,910**	129,812,650
Net cash from (used) in operating activities	**53,804,912**	(831,030,106)	**95,961,207**	251,628,619	**137,078,223**	113,544,863	**214,989,408**	28,352,977
Net cash from (used in) investing activities	**(54,083,598)**	(146,326,683)	**5,679,618**	13,240,241	**(108,596)**	3,145,895	**28,747**	55,378
Net cash from (used in) financing activities	**(179,560,695)**	748,588,122	**70,660,893**	(375,749,575)	**(170,000,000)**	(100,000,000)	**(205,490,474)**	-
Effect of foreign exchange rates	**1,680,354**	2,015,466	**-**	-	**-**	-	**-**	-
Net cash inflow (outflow)	**(178,159,027)**	(226,753,201)	**172,301,718**	(110,880,715)	**(33,030,373)**	16,690,758	**9,527,681**	28,408,355

TLC, SMI, SWEC and OPI have no other comprehensive income in the years 2024 and 2023; hence, the respective total comprehensive income (loss) of these subsidiaries are the same with the profit recognized in both years.

11. INVESTMENT PROPERTIES

The Group's investment properties comprise of buildings and several parcels of land which are owned to earn rental income or for capital appreciation or for both. The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of the reporting periods are show as follows:

(Amounts in PHP)	**Building and Improvements**	**Land and Land Development and Improvements**	**Construction in Progress**	**Total**
December 31, 2024				
Cost	6,767,952,860	5,588,402,855	1,361,212,738	13,717,568,453
Accumulated depreciation and amortization	(1,701,021,258)	(139,705,539)	-	(1,840,726,797)
Net carrying amount	**5,066,931,602**	**5,448,697,316**	**1,361,212,738**	**11,876,841,656**
December 31, 2023				
Cost	6,583,985,438	5,554,751,279	39,192,350	12,177,929,067
Accumulated depreciation and amortization	(1,485,756,002)	(139,705,539)	-	(1,625,461,541)
Net carrying amount	5,098,229,436	5,415,045,740	39,192,350	10,552,467,526
December 31, 2022				
Cost	6,531,318,380	5,541,498,340	51,918,605	12,124,735,325
Accumulated depreciation and amortization	(1,279,317,288)	(139,705,539)	-	(1,419,022,827)
Net carrying amount	5,252,001,092	5,401,792,801	51,918,605	10,705,712,498

A reconciliation of the carrying amounts of investment properties at the beginning and end of the reporting periods is as follows:

(Amounts in PHP)	**Building and Improvements**	**Land and Land Development and Improvements**	**Construction in Progress**	**Total**
Balance at January 1, 2024, net of accumulated depreciation and amortization	5,098,229,436	5,415,045,740	39,192,350	10,552,467,526
Additions	193,322,025	33,651,576	524,229,958	751,203,559
Reclassifications	(9,354,603)	-	797,790,430	788,435,827
Depreciation and amortization charges for the year	(215,265,256)	-	-	(215,265,256)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**5,066,931,602**	**5,448,697,316**	**1,361,212,738**	**11,876,841,656**
Balance at January 1, 2023, net of accumulated depreciation and amortization	5,252,001,092	5,401,792,801	51,918,605	10,705,712,498
Additions	28,099,715	13,252,939	11,841,088	53,193,742
Reclassifications	24,567,343	-	(24,567,343)	-
Depreciation and amortization charges for the year	(206,438,714)	-	-	(206,438,714)
Balance at December 31, 2023, net of accumulated depreciation and amortization	5,098,229,436	5,415,045,740	39,192,350	10,552,467,526
Balance at January 1, 2022, net of accumulated depreciation and amortization	5,270,724,519	5,486,844,996	39,461,099	10,797,030,614
Additions	15,071,042	14,810,894	12,457,506	42,339,442
Reclassifications	183,956,795	(99,863,089)	-	84,093,706
Depreciation and amortization charges for the year	(217,751,264)	-	-	(217,751,264)
Balance at December 31, 2022, net of accumulated depreciation and amortization	5,252,001,092	5,401,792,801	51,918,605	10,705,712,498

Rental revenues recognized in 2024, 2023 and 2022 amounted to P584.2 million, P551.6 million and P456.0 million, respectively, and are presented as Rental Income account under Revenues and Income section of the consolidated statements of comprehensive income [see Notes 19.1 and 25.2(a)]. Depreciation charges substantially represent the direct costs in leasing these properties and is presented as part of Cost of Rentals in the consolidated statements of comprehensive income (see Note 21). Other operating costs in leasing these properties include real property taxes amounting to P43.0 million, P41.9 million and P38.6 million in 2024, 2023 and 2022, respectively; and repairs and maintenance amounting to P11.5 million, P12.4 million and P0.4 million in 2024, 2023 and 2022, respectively. Real property taxes is included as part of Taxes and licenses in the consolidated statements of comprehensive income (see Note 21), while Repairs and maintenance is presented as part of Cost of Rentals (see Note 22.3).

Except for the construction in progress and land held for undetermined future use, all of the Group's investment properties generated rental income as at December 31, 2024 and 2023. In 2024 and 2023, there are no new contractual commitments for construction in progress projects.

In 2024, the Group reclassified projects from property development costs and real estate for sale amounting to P797.8 million to Investment Property. Also, Investment Properties under Building and Improvements with a carrying amount of P9.4 million were reclassified to Inventories. In 2022, the Group reclassified property development cost and real estate for sale with a total carrying amount of P84.1 million to investment properties as such properties are held to earn rentals (see Note 7). There was no similar transaction in 2023. These reclassifications were made as a result of the change in use of the properties from being held for sale or for use in the operations to being held for lease or capital appreciation.

Based on management's estimate, the fair value of building and improvements amounted to P15,476.2 million and P15,338.6 million as determined by calculating the present value of the cash inflows anticipated until the end of the life of the investment properties using the same discount rate of 7.80% as at December 31, 2024 and 2023, respectively.

On the other hand, the fair value of land and land development and improvements amounted to P31,697.9 million as determined through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property as at December 31, 2024 and 2023.

Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 31.3.

The Company has allocated interest to the construction in progress amounting P399.9 million of capitalized borrowing costs incurred in 2024. There were capitalized borrowing costs incurred in 2023 and 2022.

None of the Group's investment properties are used as collateral for its interest-bearing loans and borrowings.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of the reporting periods are as follows:

(Amounts in PHP)	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Building and Office Improvements	Total
December 31, 2024						
Cost	1,600,000	1,165,621,185	433,472,231	374,202,689	179,720,684	2,154,616,789
Accumulated depreciation and amortization	-	(450,237,772)	(340,274,123)	(342,632,875)	(124,130,000)	(1,257,274,770)
Net carrying amount	**1,600,000**	**715,383,413**	**93,198,108**	**31,569,814**	**55,590,684**	**897,342,019**
December 31, 2023						
Cost	1,600,000	1,165,621,185	372,285,946	340,778,022	161,903,693	2,042,188,846
Accumulated depreciation and amortization	-	(436,786,983)	(299,526,256)	(322,123,817)	(103,928,600)	(1,162,365,656)
Net carrying amount	1,600,000	728,834,202	72,759,690	18,654,205	57,975,093	879,823,190
January 1, 2023						
Cost	1,600,000	1,165,621,185	325,454,151	328,212,248	152,975,382	1,973,862,966
Accumulated depreciation and amortization	-	(423,169,764)	(270,259,428)	(310,365,078)	(86,298,448)	(1,090,092,718)
Net carrying amount	1,600,000	742,451,421	55,194,723	17,847,170	66,676,934	883,770,248

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the reporting periods is shown below.

(Amounts in PHP)	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Building and Office Improvements	Total
Balance at January 1, 2024 net of accumulated depreciation and amortization	1,600,000	728,834,202	72,759,690	18,654,205	57,975,093	879,823,190
Additions	-	-	61,186,285	33,897,451	17,816,991	112,900,727
Disposals	-	-	-	(472,783)	-	(472,783)
Depreciation and amortization charges for the year	-	(13,450,789)	(40,747,867)	(20,509,059)	(20,201,400)	(94,909,115)
Balance at December 31, 2024 net of accumulated depreciation and amortization	**1,600,000**	**715,383,413**	**93,198,108**	**31,569,814**	**55,590,684**	**897,342,019**
Balance at January 1, 2023 net of accumulated depreciation and amortization	1,600,000	742,451,421	55,194,723	17,847,170	66,676,934	883,770,248
Additions	-	-	46,831,795	12,945,238	8,928,311	68,705,344
Disposals	-	-	-	(379,464)	-	(379,464)
Depreciation and amortization charges for the year	-	(13,617,219)	(29,266,828)	(11,758,739)	(17,630,152)	(72,272,938)
Balance at December 31, 2023 net of accumulated depreciation and amortization	1,600,000	728,834,202	72,759,690	18,654,205	57,975,093	879,823,190
Balance at January 1, 2022 net of accumulated depreciation and amortization	1,600,000	756,147,740	52,685,791	25,090,473	77,011,904	912,535,908
Additions	-	-	27,606,747	8,048,021	5,863,123	41,517,891
Disposals	-	-	-	(111,235)	-	(111,235)
Reclassifications	-	(5,871,162)	(48,697)	-	-	(5,919,859)
Depreciation and amortization charges for the year	-	(7,825,157)	(25,049,118)	(15,180,089)	(16,198,093)	(64,252,457)
Balance at December 31, 2022 net of accumulated depreciation and amortization	1,600,000	742,451,421	55,194,723	17,847,170	66,676,934	883,770,248

Depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

The Group has disposed of its property and equipment at its carrying value amounting to P0.5 million, P0.4 million, and P0.1 million with no resulting gain or loss in 2024, 2023, and 2022, respectively.

The Group's fully depreciated assets that are still being used in operations has a total original cost of P709.6 million and P667.1 million as at December 31, 2024 and 2023, respectively.

None of the Group's property and equipment are used as collateral for its interest-bearing loans and borrowings.

13. LEASES

The Group, as a lessee, has leases for certain offices and commercial lots. With the exception of short-term leases, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group incur maintenance fees on such items in accordance with the lease contracts.

In 2023, the Group entered into a new lease agreement with a third party for a lease of office space which resulted to a recognition of right-of-use assets and lease liabilities amounting to P2.8 million. The Group also pre-terminated one of its lease contracts which resulted to a gain on pre-termination amounting to P0.5 million presented as part of Gain on derecognition of payables under Finance and Other Income in the 2023 consolidated statement of comprehensive income (see Note 20.1).

The Group entered into lease agreements with third parties, for the lease of office spaces in 2022. The Group recognized P12.3 million and P11.9 million of right-of-use asset and lease liability, respectively.

In August 2018, the Group entered into a new lease agreement as lessee with a third party covering the lease of a commercial lot and recognized the related right-of-use asset amounting to P74.4 million and lease liability of P72.9 million.

The Group also entered into several lease agreements with Megaworld for office spaces. Further details regarding these leases are disclosed in Note 25.2(b).

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statements of financial position.

	Number of right-of-use assets leased	**Range of remaining term**	**Average remaining term**	**Number of leases with extension options**	**Number of leases with termination options**
December 31, 2024					
Offices	7	1 – 3 years	2 years	7	7
Commercial lot	2	13-14 years	14 years	2	2
December 31, 2023					
Offices	8	1 – 4 years	3 years	8	8
Commercial lot	2	14 – 15 years	15 years	2	2
December 31, 2022					
Offices	6	1 – 5 years	3 years	6	6
Commercial lot	2	15 – 16 years	16 years	2	2

The carrying amounts of the Group's right-of-use assets as at December 31, 2024 and 2023 and the movements during the periods are shown as follows.

(Amounts in PHP)	**Offices**	**Commercial Lot**	**Total**
December 31, 2024			
Cost			
Balance at beginning and end of year			
As previously reported	180,748,928	25,654,963	206,403,891
Effect of restatement	56,083,673	74,392,069	130,475,742
As restated	236,832,601	100,047,032	336,879,633
Accumulated amortization			
Balance at beginning of year			
As previously reported	113,581,029	6,841,325	120,422,354
Effect of restatement	21,568,064	20,147,851	41,715,915
As restated	135,149,093	26,989,176	162,138,269
Amortization for the year	47,914,287	5,087,869	53,002,156
Balance at end of year	183,063,380	32,077,045	215,140,425
Carrying amount at December 31, 2024	**53,769,221**	**67,969,987**	**121,739,208**
December 31, 2023 [As restated – see Note 2.1 (c)]			
Cost			
Balance at beginning of year			
As previously reported	180,073,145	25,654,963	205,728,108
Effect of restatement	48,929,693	74,392,069	123,321,762
As restated	229,002,838	100,047,032	329,049,870
Additions	9,922,369	-	9,922,369
Derecognition	(2,092,606)	-	(2,092,606)
Balance at end of year	236,832,601	100,047,032	336,879,633
Accumulated amortization			
Balance at beginning of year			
As previously reported	84,470,856	5,473,060	89,943,916
Effect of restatement	8,394,705	16,428,248	24,822,953
As restated	92,865,561	21,901,308	114,766,869
Amortization for the year	43,886,513	5,087,868	48,974,381
Derecognition	(1,602,981)	-	(1,602,981)
Balance at end of year	135,149,093	26,989,176	162,138,269
Carrying amount at December 31, 2023	101,683,508	73,057,856	174,741,364

Amortization of the Group's right-of-use assets is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

13.2 Lease Liabilities

Lease liabilities are presented in the consolidated statements of financial position as at December 31 as follows:

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]
Current	**45,922,954**	51,944,177
Non-current	**419,873,334**	465,796,288
	465,796,288	517,740,465

The carrying amounts of the Group's lease liabilities as at December 31 and the movements during the periods are shown below.

		[As restated – see Note 2.1(c)]	
(Amounts in PHP)	Note	**2024**	2023
Balance at beginning of year			
As previously reported		**410,360,748**	442,785,021
Effect of restatement		**107,379,717**	112,211,636
As restated		**517,740,465**	554,996,657
Repayment of lease liabilities		**(63,751,311)**	(62,506,760)
Interest amortization	20.2	**38,654,005**	42,506,555
Offsetting	6	**(26,846,871)**	(26,199,118)
Additions		**-**	9,922,379
Derecognition		**-**	(979,248)
Balance at end of year		**465,796,288**	517,740,465

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

The undiscounted maturity analysis of lease liabilities is as follows:

(Amounts in PHP)	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total**
December 31, 2024							
Lease payment	80,617,102	46,391,037	35,210,082	35,698,966	36,983,300	722,295,135	957,195,622
Finance charges	(34,694,148)	(32,455,611)	(31,809,617)	(31,541,438)	(31,153,075)	(329,745,445)	(491,399,334)
Net present value	**45,922,954**	**13,935,426**	**3,400,465**	**4,157,528**	**5,830,225**	**392,549,690**	**465,796,288**
December 31, 2023 [As Restated – see Note 2.1(c)]							
Lease payment	90,638,053	81,679,875	45,328,263	35,210,083	35,698,966	759,278,435	1,047,833,675
Finance charges	(38,693,876)	(34,731,505)	(32,418,254)	(31,809,617)	(31,541,438)	(360,898,520)	(530,093,210)
Net present value	51,944,177	46,948,370	12,910,009	3,400,466	4,157,528	398,379,915	517,740,465

13.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses related to short-term leases amounted to P193.0 million, P66.3 million and P41.2 million for the years ended December 31, 2024, 2023 and 2022, respectively, and are presented in the consolidated statements of comprehensive income [see Notes 2.1(c), 21 and 22.2].

At December 31, 2024 and 2023, the Group is committed to short-term leases, and the total commitment at those dates are P17.4 million and P15.0 million, respectively.

13.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P63.8 million, P62.5 million and P57.0 million in 2024, 2023 and 2022, respectively. Interest expense in relation to lease liabilities amounted to P38.7 million, P42.5 million and P44.1 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance Costs and Other Charges in the consolidated statements of comprehensive income (see Note 20.2).

14. OTHER NON-CURRENT ASSETS

This account consists of:

(Amounts in PHP)	Notes	**2024**	2023
Deferred tax assets – net	24	**106,374,698**	69,522,802
Refundable deposits	29.2	**89,458,764**	89,278,118
Software – net		**3,826,230**	4,888,500
Others		**33,367,704**	2,370,689
		233,027,396	166,060,109

The Company has acquired software amounting to P1.1 million, P2.9 million, and P3.6 million in 2024, 2023 and 2022, respectively. Amortization for the Group's software amounting to P2.2 million, P2.9 million and P2.1 million in 2024, 2023 and 2022 respectively, are presented as part of Depreciation and Amortization under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

As of December 31, 2024 and 2023, management assessed that the Group's other non-current assets are fully recoverable. As such, no impairment losses are recognized in 2024 and 2023.

15. INTEREST-BEARING LOANS

The Group's interest-bearing loans are broken down as follows:

(Amounts in PHP)	**2024**	2023
Current	**1,908,200,000**	1,527,430,205
Non-current	**7,603,919,109**	7,966,639,384
	9,512,119,109	9,494,069,589

In 2024, the Company obtained unsecured interest-bearing loans from Banco De Oro Unibank, Inc. (BDO) and Rizal Commercial Banking Corporation (RCBC) amounting to P500.0 million and P1,000.0 million, respectively. The loan with BDO bears a floating interest rate and subject to quarterly repricing, payable quarterly in arrears for five years. The loan from RCBC is composed of two loans worth P500 million each, subject to floating interest rates and subject to quarterly repricing, payable quarterly in arrears for seven years. As of December 31, 2024, the total outstanding balance of these loans amounted to P1,489.9 million.

In June 2023, TLC obtained a P1,500.0 million unsecured, interest-bearing loan with a term of five years from Unionbank of the Philippines (UB). The loan is payable in equal quarterly amortizations beginning June 2024. This loan bears a floating interest rate and subject to quarterly repricing. Interest shall be payable quarterly in arrears. The outstanding balance of the related loan amounted to P1,312.5 million and P1,500.0 million as at December 31, 2024 and 2023, respectively.

In 2023, the Company obtained unsecured interest-bearing loans from China Banking Corporation (Chinabank), and BDO amounting to P2,000.0 million and P1,500.0 million, respectively. The loan from Chinabank is composed of two loans worth P1,000.0 million, each, payable quarterly in arrears for five years and are subject to floating interest rates and quarterly repricing. The loan obtained from BDO is subject to floating interest rates and quarterly repricing, and is payable quarterly in arrears for five years. The total outstanding balance of these loans amounted to P3,483.1 million and P3,475.7 million as at December 31, 2024 and 2023, respectively.

The Company and TLC obtained unsecured, interest-bearing loans from Megaworld in the last quarter of 2022 and 2021 amounting to P1,500.0 million and P2,000.0 million, respectively. These loans bear a fixed interest rate of 6.33% and shall be payable for a maximum term of 16 months for the loan obtained in 2022 and for a maximum period of eight years for the loan obtained in 2021. The outstanding balance of the loan amounted to P2,000.0 million as of December 31, 2024, and 2023 respectively, (see Note 25.8). The loan obtained in 2022 was fully paid in 2023.

TLC also obtained another unsecured, interest-bearing loan from Megaworld in the last quarter of 2021 amounting to P129.0 million with an interest rate of 6.00% and shall be payable for a maximum term of five years. The outstanding balance of the related loan is P129.0 million as at December 31, 2024 and 2023 (see Note 25.8).

The Company availed unsecured, interest-bearing loans from RCBC in 2021 and 2020. The loan obtained in 2021 amounting to P500.0 million is payable quarterly with a term of seven years and the loan obtained in 2020 amounting to P500.0 million is payable quarterly with a term of seven years. The loan bears floating interest rate subject to quarterly repricing and is payable quarterly in arrears. The outstanding balance of these loans amounted to P598.2 million and P800.0 million as at December 31, 2024 and 2023, respectively.

The Company availed unsecured, interest-bearing loans from UB in 2021 and 2020. The loan obtained in 2021 amounting P1,000.0 million, bearing a fixed interest rate of 5.37%, is payable quarterly in arrears, for a term of five years. The loan obtained in 2020 amounting to P1,000.0 million is payable for a term of five years bearing a fixed rate 5.26% and is payable quarterly in arrears. The outstanding balance pertaining to these loans amounted to P499.4 million and P1,166.4 million as of December 31, 2024 and 2023, respectively.

In March 2020, TLC obtained additional unsecured, interest-bearing loan from BDO amounting to P500.0 million. The loan bears a floating interest rates ranging from 5.0% to 7.0% subject to 30 days to 180 days repricing. Quarterly instalments beginning November 2020 are due until the loan is fully settled in 2024 for this interest-bearing loan. The outstanding balances pertaining to these loans amounted to P93.7 million as at December 31, 2023. The loan obtained was fully paid in 2024.

In 2019, the Company and TLC obtained unsecured, long-term loans from BDO totalling to P2,500.0 million, payable quarterly for a term of five years. The loan amounting to P2,000.0 million bears a floating interest subject to quarterly repricing and is payable quarterly in arrears. The other P500.0 million is used for the funding requirements of the construction of projects in Twin Lakes Tagaytay. The total outstanding balance pertaining from these loans amounted to P328.9 million as of December 31, 2023. These loans were fully paid in 2024.

The Group has properly complied with the loan agreements' covenants as of the end of the reporting period (see Note 32).

The total accrued interest payable amounted to P5.58 million and P13.4 million as of December 31, 2024 and 2023, respectively, is presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

The capitalized borrowing costs from the interest expense on loans are P399.9 million, P546.3 million, and P361.0 million, in 2024, 2023, and 2022, respectively. The 2024 capitalized borrowing cost forms part of Investment properties (see Note 11), while the 2023 and 2022 capitalized costs are part of the Inventories account (see Note 7). No interest is capitalized on inventories in 2024 due to the adoption of IFRIC Agenda Decision on PAS 23 [see Note 2.1b(i)]. Interest charged to expense amounted to P242.4 million, P7.7 million, and P22.1 million in 2024, 2023, and 2022, respectively, and is presented as part of Finance costs under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 20.2).

Total interest costs incurred attributable to these loans amounted to P642.3 million, P554.0 million, and P383.1 million in 2024, 2023, and 2022, respectively. Average capitalization rate used in determining the amount of interest charges qualified for capitalization is 7.29%, 6.13% and 4.82% in 2024, 2023 and 2022, respectively.

16. TRADE AND OTHER PAYABLES

This account consists of:

(Amounts in PHP)	Note	**2024**	2023
Trade payables		**3,847,460,940**	3,144,030,899
Accrued expenses	15	**408,067,613**	697,424,183
Retention payable		**292,362,430**	307,382,414
Security deposit		**137,621,162**	114,336,210
Liabilities for land acquisition		**111,525,813**	93,793,090
Income tax payable		**11,816,101**	29,814,393
Others		**314,911,796**	191,501,422
		5,123,765,855	4,578,282,611

Trade payables mainly represent obligations to subcontractors and suppliers of construction materials for the Group's projects.

Accrued expenses represent accruals for commission, utilities, professional fees, outside services, interest and other expenses incurred in the normal operations of the Group.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted back to the contractors. Those which are due to be remitted beyond 12 months from the end of the reporting period is presented as part of Other Non-current Liabilities in the consolidated statements of financial position (see Note 18).

Liabilities for land acquisition represent the unpaid portion of raw land acquired by the Group for the development of real estate projects.

Other payables consist primarily of unearned rentals, payables to government and other regulatory agencies. In 2023 and 2022, the Company derecognized certain liabilities amounting to P58.0 million and P20.1 million, respectively, which resulted to a gain on derecognition of payables presented as part of Finance and Other Income (see Note 20.1). There was no similar transaction in 2024.

17. DUE TO JOINT VENTURE PARTNERS

This account represents the share of joint venture partners in the proceeds from the sale of certain projects in accordance with various joint venture agreements entered into by the Group.

The account pertains to payables to golf share partners and lot owners amounting to P491.1 million and P493.2 million as of December 31, 2024 and 2023, respectively. The total amounts are currently due and demandable and presented under the Current Liabilities section of the consolidated statements of financial position.

18. OTHER NON-CURRENT LIABILITIES

The details of the account are as follows:

(Amounts in PHP)	Note	**2024**	2023
Retention payable	16	**530,235,561**	438,802,308
Security deposits		**30,874,963**	41,259,837
Advance rental		**9,420,734**	12,120,933
Others		**7,196,715**	2,844,321
		577,727,973	495,027,399

19. REVENUES

19.1 Disaggregation of Revenues

The Group derives revenues mainly from sale of real properties, rentals and hotel operations. An analysis of the Group's major sources of revenues is presented below and in the succeeding page.

	Segments			
(Amounts in PHP)	**Real Estate**	**Hotel Operations**	**Rentals**	**Total**
2024				
Geographical areas:				
Luzon	4,037,822,077	296,975,869	532,274,464	4,867,072,410
Visayas	1,847,574,814	659,342,448	51,904,833	2,558,822,095
	5,885,396,891	**956,318,317**	**584,179,297**	**7,425,894,505**
Types of product or services:				
Residential lots	2,976,603,609	-	-	2,976,603,609
Residential condominium	1,798,052,747	-	-	1,798,052,747
Commercial lots and spaces	1,110,740,535	-	-	1,110,740,535
Room accommodation	-	787,230,958	-	787,230,958
Food and beverage	-	169,087,359	-	169,087,359
Rentals	-	-	584,179,297	584,179,297
	5,885,396,891	**956,318,317**	**584,179,297**	**7,425,894,505**
2023				
Geographical areas:				
Luzon	3,707,644,647	275,268,760	545,969,962	4,528,883,369
Visayas	2,801,184,468	291,896,446	5,589,843	3,098,670,757
	6,508,829,115	567,165,206	551,559,805	7,627,554,126
Types of product or services:				
Residential lots	3,830,916,112	-	-	3,830,916,112
Residential condominium	1,687,354,489	-	-	1,687,354,489
Commercial lots and spaces	990,558,514	-	-	990,558,514
Room accommodation	-	402,993,730	-	402,993,730
Food and beverage	-	164,171,476	-	164,171,476
Rentals	-	-	551,559,805	551,559,805
	6,508,829,115	567,165,206	551,559,805	7,627,554,126

(Amounts in PHP)	Segments: Real Estate	Hotel Operations	Rentals	Total
2022				
Geographical areas:				
Luzon	4,283,287,200	244,958,429	432,394,731	4,960,640,360
Visayas	1,616,566,922	175,511,646	23,567,259	1,815,645,827
	5,899,854,122	420,470,075	455,961,990	6,776,286,187
Types of product or services:				
Residential lots	3,057,218,929	-	-	3,057,218,929
Residential condominium	2,312,348,898	-	-	2,312,348,898
Commercial lots and spaces	530,286,295	-	-	530,286,295
Room accommodation	-	296,259,430	-	296,259,430
Food and beverage	-	124,210,645	-	124,210,645
Rentals	-	-	455,961,990	455,961,990
	5,899,854,122	420,470,075	455,961,990	6,776,286,187

19.2 Contract Accounts

The Group's contract assets and liabilities are classified as follows:

(Amounts in PHP)	**2024 Contract Assets**	**2024 Contract Liabilities**	2023 Contract Assets	2023 Contract Liabilities
Current	**4,473,585,570**	**86,684,170**	4,002,000,089	479,315,525
Non-current	**526,379,353**	**262,195,658**	1,805,263,926	446,497,334
	4,999,964,923	**348,879,828**	5,807,264,015	925,812,859

The changes in the contract assets and liabilities balances during the year are as follows:

(Amounts in PHP)	**2024 Contract Assets**	**2024 Contract Liabilities**	2023 Contract Assets	2023 Contract Liabilities
Balance at beginning of year	**5,807,264,015**	**925,812,859**	4,501,242,737	906,489,506
Effect of adoption of PFRS 15 [see Note 2.1b(ii)]	**(863,705,256)**	**(548,850,337)**	-	-
Balance at beginning of year, as adjusted	**4,943,558,759**	**376,962,522**	4,501,242,737	906,489,506
Transfers from contract assets recognized at the beginning of year to accounts receivables	**(1,205,876,404)**	**-**	(530,296,407)	-
Increase as a result of changes in measurement of progress	**1,077,402,711**	**-**	1,836,317,685	-
Accretion of interest income from significant financing component	**193,322,113**	**-**	-	-
Revenue recognized that was included in contract liability at the beginning of year	**-**	**(557,098,986)**	-	(64,259,340)
Increase due to cash received excluding amount recognized as revenue during the year	**-**	**512,501,945**	-	83,582,693
Accretion of interest expense from significant financing component	**-**	**20,818,029**	-	-
Sales cancellation	**(8,442,256)**	**(4,303,682)**	-	-
Balance at end of year	**4,999,964,923**	**348,879,828**	5,807,264,015	925,812,859

The related interest income and expense from amortization of the significant financing component are presented as part of Finance income under Finance and Other Income and Finance cost under Finance Costs and Other Charges accounts in the 2024 consolidated statement of comprehensive income (see Note 20.1 and 20.2).

19.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Current Assets account in the consolidated statements of financial position (see Note 8). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as part of Commissions under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

The movements in balances of deferred commission is presented below.

(Amounts in PHP)	Note	**2024**	2023
Balance at beginning of year	8	**494,720,240**	396,898,739
Additions for the year		**377,169,974**	280,436,434
Amortization for the year		**(156,980,516)**	(182,614,933)
Balance at end of year		**714,909,698**	494,720,240

19.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2024 and 2023 is P3,903.9 million and P3,660.8 million, respectively. The Group expects to recognize revenue from unsatisfied contracts as of December 31 as summarized below:

(Amounts in PHP)	**2024**	2023
Within a year	**1,494,424,482**	2,026,435,981
More than one year to three years	**2,016,625,431**	1,268,761,166
More than three to five years	**392,846,099**	365,612,460
	3,903,896,012	3,660,809,607

20. FINANCE INCOME AND FINANCE COSTS

20.1 Finance and Other Income

Presented below are the details of this account.

(Amounts in PHP)	Notes	**2024**	2023	2022
Finance income	5, 6, 9, 19.2	**871,826,272**	256,239,353	244,526,620
Foreign currency gains – net		**2,238,530**	7,868,325	29,525,566
Gain on derecognition of payables	13, 16	**-**	58,504,431	20,121,398
Miscellaneous	10.1	**297,430,490**	124,928,716	52,734,006
		1,171,495,292	447,540,825	346,907,590

Miscellaneous income includes forfeiture of reservation fees from customers and other income of the Group.

20.2 Finance Costs and Other Charges

Presented below are the details of this account.

(Amounts in PHP)	Notes	**2024**	2023 [As Restated – see Note 2.1(c)]	2022 [As Restated – see Note 2.1(c)]
Loss on refund and sales cancellations		**486,290,819**	280,950,630	298,886,075
Finance cost	13, 15, 19.2 23.2, 25.4, 25.8, 26.3	**345,576,030**	97,488,666	98,749,939
Miscellaneous	10.1	**5,462,292**	-	2,722,684
		837,329,141	378,439,296	400,358,698

A loss on refund is recognized when the customer is entitled for a refund on sales cancellation.

21. OPERATING EXPENSE BY NATURE

Presented below are the details of this account.

(Amounts in PHP)	Notes	**2024**	2023 [As Restated – see Note 2.1(c)]	2022 [As Restated – see Note 2.1(c)]
Cost of real estate sales	22.1	**2,422,416,935**	2,798,985,876	2,144,625,053
Salaries and employee benefits	23.1	**916,812,731**	713,866,818	584,395,469
Depreciation and amortization	11,12,13,14	**365,350,693**	330,610,025	330,598,738
Utilities and supplies		**210,176,871**	127,253,848	120,044,871
Rental	13.3	**193,024,810**	66,307,413	41,264,922
Commissions	19.3, 25.5	**192,299,458**	197,854,996	212,377,045
Taxes and licenses	11	**167,745,572**	171,153,805	183,556,601
Professional fees and outside services		**122,803,214**	115,090,148	131,974,787
Repairs and maintenance	11	**99,911,699**	34,186,550	24,611,287
Subscriptions dues		**98,905,950**	82,018,240	33,700,533
Impairment loss	6	**98,340,811**	-	34,776,037
Advertising and promotions		**35,693,637**	30,698,004	24,804,176
Transportation		**45,961,735**	49,930,739	23,560,334
Food and beverages	22.2	**40,007,661**	37,021,102	33,384,815
Representation		**16,358,804**	11,701,050	17,335,364
Insurance expense		**10,617,724**	6,336,145	2,339,866
Laundry and dry cleaning		**10,105,816**	13,013,415	7,071,841
Gas and oil		**4,596,001**	6,374,986	13,546,173
Registration and other fees		**4,618,437**	2,967,025	13,320,632
Accommodation		**3,739,013**	292,494	5,218
Association dues		**2,867,779**	744,876	154,654
Training and recruitment		**1,746,091**	2,984,365	3,995,546
Miscellaneous	25.6	**278,939,569**	234,099,688	161,928,077
		5,343,041,011	5,033,491,608	4,143,372,039

Miscellaneous expenses mainly include communication expense and service fees charged by a stockholder and cost of materials and overhead incurred in relation to the maintenance of the golf course.

These expenses are classified in the consolidated statements of comprehensive income as follows:

(Amounts in PHP)	Note	**2024**	2023 [As Restated – see Note 2.1(c)]	2022 [As Restated – see Note 2.1(c)]
Cost of real estate sales	22.1	**2,422,416,935**	2,798,985,876	2,144,625,053
Cost of hotel operations	22.2	**528,879,515**	297,442,621	191,572,019
Cost of rentals and services	22.3	**371,395,395**	365,948,174	319,643,144
Other operating expenses		**2,020,349,166**	1,571,114,937	1,487,531,823
		5,343,041,011	5,033,491,608	4,143,372,039

22. DIRECT COSTS

22.1 Cost of Real Estate Sales

The composition of the cost of real estate sales for the years ended December 31 are as follows:

(Amounts in PHP)	Note	**2024**	2023	2022
Construction costs		**2,305,612,290**	2,484,987,792	1,828,425,755
Land cost		**116,804,645**	138,181,758	233,496,946
Borrowing cost	7	**-**	175,816,326	82,702,352
		2,422,416,935	2,798,985,876	2,144,625,053

No borrowing costs were capitalized in 2024 due to the adoption of IFRIC Agenda Decision on PAS 23, which represents the costs incurred on the general and specific borrowings obtained by the Group to fund its construction projects under inventories [see Note 2.1(b)(i)].

22.2 Cost of Hotel Operations

The composition of the cost of hotel operations for the years ended December 31 are as follows:

(Amounts in PHP)	Notes	**2024**	2023	2022
Rent expense	13.3	**176,741,730**	41,548,317	25,650,817
Salaries and employee benefits		**174,491,682**	97,087,280	62,508,324
Food and beverage		**44,613,481**	37,021,102	33,384,815
Utilities		**22,875,795**	29,380,947	24,696,118
Supplies		**17,813,415**	15,329,174	15,193,291
Depreciation and amortization	11,12, 13,14	**10,956,444**	8,568,570	3,713,316
Transportation		**10,669,012**	22,720,596	4,982,764
Laundry and dry cleaning		**10,103,935**	13,013,415	7,071,841
Commission	19.3, 25.5	**7,677,789**	15,240,063	7,026,578
Repairs and maintenance	11	**1,231,720**	1,484,508	64,445
Outside services		**100,382**	129,262	-
Miscellaneous	25.6	**51,604,130**	15,919,387	7,279,710
		528,879,515	297,442,621	191,572,019

Miscellaneous includes expenses for management fees, insurance, representation and entertainment, club bookings, and communication expenses.

22.3 Cost of Rentals and Services

The composition of the cost of rentals for the years ended December 31 are as follows:

(Amounts in PHP)	Notes	**2024**	2023	2022
Depreciation and amortization	11, 12, 13, 14	**221,185,640**	223,121,907	225,705,609
Repairs and maintenance	11	**68,289,472**	68,621,754	48,158,896
Salaries and employee benefits		**26,286,983**	20,767,531	11,728,514
Civil works and survey		**18,319,794**	17,973,577	12,829,308
Land development and construction		**16,248,987**	15,941,904	11,379,126
Landscaping		**12,290,039**	12,057,775	8,606,685
Rental	13.3	**470,300**	461,412	227,500
Transportation		**153,778**	155,424	20,200
Miscellaneous	25.6	**8,150,402**	6,846,890	987,306
		371,395,395	365,948,174	319,643,144

23. EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits

Salaries and employee benefits which are presented as part of Operating Expenses in the consolidated statements of comprehensive income are shown below.

(Amounts in PHP)	Notes	**2024**	2023	2022
Short-term benefits		**893,962,378**	702,537,215	552,744,375
Post-employment defined benefit	23.2	**22,850,353**	11,329,603	31,651,094
	21	**916,812,731**	713,866,818	584,395,469

23.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Group has an unfunded, non-contributory defined benefit plan covering all regular employees. The plan provides for lump-sum benefits equivalent to 85% to 150% of the employee's monthly salary for every year of service depending on the number of years of service. The normal retirement age is 60 years old and applicable upon completion of five years of faithful and continuous service to the Group. However, an employee who attains the age of 50 with the completion of no less than 10 years of service or has completed 15 years of service and opts for an early retirement is likewise entitled to the same benefits.

(b) *Explanation of Amounts Presented in the Consolidated Financial Statements*

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2024 and 2023.

The movements in present value of the retirement benefit obligation are as follows:

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**142,618,469**	111,012,219
Current service cost	**22,850,353**	11,329,603
Interest expense	**9,912,175**	8,636,453
Other movements	**59,753**	(143,430)
Benefits paid	**(625,973)**	-
Actuarial losses(gains) arising from changes in:		
Demographic assumptions	**11,534,054**	240,109
Experience adjustments	**1,775,033**	(1,053,100)
Financial assumptions	**468,519**	12,596,615
Balance at end of year	**188,592,383**	142,618,469

The amounts of post-employment benefit recognized in the consolidated statements of comprehensive income are as follows:

(Amounts in PHP)	**2024**	2023	2022
Reported in profit or loss			
Current service cost	**22,850,353**	11,329,603	31,651,094
Net interest cost	**9,912,175**	8,636,453	6,475,350
Others	**59,753**	(143,430)	(23,903)
Past service cost	**-**	-	(771,837)
	32,822,281	19,822,626	37,330,704
Reported in other comprehensive loss (income) –			
Actuarial losses (gains) arising from changes in:			
Demographic assumptions	**11,534,054**	240,109	(807,217)
Experience adjustments	**1,775,033**	(1,053,100)	(12,022,671)
Financial assumptions	**468,519**	12,596,615	(39,061,196)
	13,777,606	11,783,624	(51,891,084)

The amounts of current service cost incurred are presented as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of comprehensive income (see Notes 21 and 23.1). The amounts of interest expense related to the retirement benefit obligation are presented as part of Finance costs under the Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 20.2).

The amount recognized in other comprehensive income is included as an item that will not be reclassified subsequently to profit or loss.

In determining the amount of retirement benefit obligation, the following actuarial assumptions were used for the reporting periods:

	2024	2023	2022
Discount rates	**5.84% - 6.10%**	6.10% - 6.66%	7.30% - 7.85%
Expected rate of salary increase	**1.00% - 4.00%**	1.00% - 4.00%	3.00% - 4.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average expected remaining working life of employees retiring at the age of 60 is 36 years for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon bond government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as interest rate risk and longevity and salary risks.

(i) Interest Risk

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions and the Group's timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding page.

(i) *Sensitivity Analysis*

(Amounts in PHP)	Impact on Retirement Benefit Obligation		
	Change in Assumptions	**Increase in Assumptions**	**Decrease in Assumptions**
December 31, 2024			
Discount rates	**+/- 0.5% - 1.0%**	**(8,996,474)**	**10,863,357**
Salary increase rate	**+/- 1.0%**	**23,349,416**	**(16,771,650)**
December 31, 2023			
Discount rates	+/- 0.5% - 1.0%	(6,213,804)	7,044,862
Salary increase rate	+/- 1.0%	14,238,518	(11,136,807)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded as at December 31, 2024. While there is no minimum funding requirement in the country, the non-funding may pose a cash flow risk in about 20 years' time when a significant number of employees is expected to retire.

As at December 31, 2024, the Group is yet to determine how much and when to fund the post-employment benefit plan.

The maturity profile for the next 20 years of undiscounted expected benefit payments from the plan follows:

(Amounts in PHP)	**2024**	2023
Within one year	**25,305,758**	13,257,926
More than one year to five years	**43,883,120**	40,768,665
More than five years to 10 years	**52,925,451**	54,450,306
More than 10 years to 15 years	**159,712,122**	103,066,870
More than 15 years to 20 years	**396,217,959**	374,520,328
	678,044,410	586,064,095

The weighted average duration of the defined benefit obligation at the end of the reporting period is 17.86 years.

24. CURRENT AND DEFERRED TAXES

On March 26, 2021, Republic Act (R.A.) No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Group.

- regular corporate income tax (RCIT) rate was reduced from 30% to 25% or 20% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023 and starting July 1, 2023, the MCIT will return to its previous 2% rate; and
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

The components of tax expense (income) as reported in the consolidated statements of comprehensive income are as follows:

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]	2022
Reported in profit or loss			
Current tax expense:			
Regular corporate income tax (RCIT) at 25% or 20%	**232,414,677**	216,257,823	143,425,909
Minimum corporate income tax (MCIT) at 2% in 2024, 1.5% in 2023, 1% in 2022	**20,220,073**	3,252,971	855,038
Final taxes at 20%, 15%, and 7.5%	**6,333,883**	7,778,376	7,514,090
	258,968,633	227,289,170	151,795,037
Deferred tax expense relating to origination and reversal of temporary differences	**290,574,257**	589,468,647	551,008,578
	549,542,890	816,757,817	702,803,615
Reported in other comprehensive income (loss) –			
Deferred tax expense (income) relating to remeasurements of retirement benefit plan	**3,444,402**	2,945,906	(12,972,771)

A reconciliation of tax on pretax profit computed at the applicable statutory rates to income tax expense reported in the consolidated statements of comprehensive income is presented below.

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]	2022
Tax on pretax profit at 25% or 20%	**919,700,541**	826,415,120	794,102,015
Adjustments for income subjected to lower income tax rates	**(1,618,847)**	(1,951,126)	(1,899,616)
Tax effects of:			
Non-taxable income	**(416,810,185)**	(137,506,480)	(140,406,512)
Non-deductible expenses	**78,898,151**	126,192,867	66,991,530
Reversal of temporary differences	**(29,890,520)**	(4,260,845)	(4,907,508)
Unrecognized deferred tax assets	**(5,700,398)**	(3,762,031)	3,174,246
Excess MCIT over RCIT	**3,657,237**	8,815,168	-
Non-deductible interest expense	**1,306,911**	944,905	1,227,120
Expiration of net operating loss carry over (NOLCO)	**-**	1,870,239	-
Application of NOLCO	**-**	-	(15,477,660)
	549,542,890	816,757,817	702,803,615

The Group's net deferred tax liabilities relate to the following as at December 31:

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]	2022
Deferred tax liabilities:			
Unrealized profit on real estate sales	**3,166,946,976**	2,880,824,401	2,287,406,628
Rental income	**149,057,850**	147,119,371	123,599,864
Deferred commission	**130,655,922**	58,071,788	60,126,286
Marketing fee receivable	**129,913,355**	135,651,230	133,566,088
Finance lease	**78,778,630**	110,532,961	130,135,481
Capitalized borrowing cost	**77,724,830**	187,013,213	153,675,843
Refund liability	**7,795,345**	4,790,523	3,186,318
Unrecognized foreign currency gains	**559,636**	2,096,050	7,020,949
	3,741,432,544	3,526,099,537	2,898,717,457
Deferred tax assets:			
Allowance for impairment	**(124,161,509)**	(99,576,306)	(108,268,631)
Leases	**(103,759,451)**	(106,343,779)	(34,318,633)
Retirement benefit obligation	**(43,284,687)**	(32,362,150)	(25,587,562)
Accrued expenses	**(19,619,198)**	-	-
Unearned income	**(7,725,714)**	(5,415,417)	(5,669,739)
Share-based employee compensation	**-**	-	(59,106,392)
	(298,550,559)	(243,697,652)	(232,950,957)
	3,442,881,985	3,282,401,885	2,665,766,500

The components of the net deferred tax assets as of December 31, 2024, 2023 and 2022 separately reported under the Other Non-current Assets account (see Note 14) are as follows:

(Amounts in PHP)	**2024**	2023	2022
Deferred tax assets:			
NOLCO	**95,054,270**	62,284,005	53,955,122
MCIT	**5,648,630**	1,929,902	638,229
Retirement benefit obligation	**3,888,075**	2,860,051	2,050,314
Accrued expense	**1,785,858**	-	-
Leases	**39,283**	881,255	-
Advances from customers	**-**	1,609,004	1,785,819
	106,416,116	69,564,217	58,429,484
Deferred tax liabilities:			
Unearned income	**(41,418)**	-	-
Unrealized profit on real estate sales	**-**	(41,415)	(41,418)
Leases	**-**	-	(8,731,959)
	(41,418)	(41,415)	(8,773,377)
	106,374,698	69,522,802	49,656,107

The components of deferred tax expense (income) are as follows:

	Consolidated Statements of Comprehensive Income					
	Profit or Loss			**Other Comprehensive Income (Loss)**		
(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1 (c)]	2022	**2024**	2023	2022
Unrealized profit on real estate sales	**271,834,428**	592,780,747	529,342,188	**-**	-	-
Capitalized borrowing cost	**77,724,830**	33,337,370	28,442,795	**-**	-	-
Deferred commission	**41,682,845**	(2,054,497)	(56,568,966)	**-**	-	-
Leases	**(29,615,186)**	(64,977,793)	(83,832,681)	**-**	-	-
Allowance for impairment	**(24,585,403)**	(3,368)	8,032,725	**-**	-	-
NOLCO	**(15,854,840)**	(22,490,078)	-	**-**	-	-
Accrued expenses	**(14,529,856)**	-	-	**-**	-	-
Retirement benefit obligation	**(7,923,531)**	(7,004,496)	10,190,804	**3,444,402**	2,945,906	(12,972,771)
Finance lease	**6,460,145**	(19,602,520)	9,604,845	**-**	-	-
Rental income	**(5,809,242)**	22,121,401	85,280,520	**-**	-	-
Marketing fee receivable	**(5,737,874)**	2,085,141	18,687,888	**-**	-	-
Refund liability	**3,004,823**	1,604,205	1,981,127	**-**	-	-
Unearned income	**(2,310,297)**	131,301	(5,669,739)	**-**	-	-
MCIT	**(2,230,167)**	(817,075)	116,507	**-**	-	-
Unrealized foreign currency gains	**(1,536,418)**	(4,924,899)	5,400,565	**-**	-	-
Share-based employee compensation	**-**	59,106,392	-	**-**	-	-
Advances from customers	**-**	176,816	-	**-**	-	-
Deferred tax expense (income) - net	**290,574,257**	589,468,647	551,008,578	**3,444,402**	2,945,906	(12,972,771)

The details of NOLCO during the year are shown below.

Year Incurred	**Original Amount**	**Applied During the Year**	**Expired During the Year**	**Remaining Balance**	**Valid Until**
2024	22,770,688	-	-	22,770,688	2027
2023	36,681,933	-	-	36,681,933	2026
2022	141,259,515	-	-	141,259,515	2025
2021	85,941,943	(11,836,636)	-	74,105,307	2026
	286,654,079	**(11,836,636)**	**-**	**274,817,443**	

NOLCO incurred in 2021 can be claimed as deduction for the next five consecutive taxable years or until 2026, respectively, in accordance with Section 4 of R.A. 11494, *Bayanihan to Recover as One Act.*

Majority of the entities within the Group are subject to the RCIT, which is computed at 25% or 20% of net taxable income as defined under the tax regulations or MCIT, computed at 2% in 2024 and 1.5% in 2023 of gross taxable income, whichever is higher. The total of the MCIT paid by certain subsidiaries, which can be applied as deduction from their respective future RCIT payable within three years from the year the MCIT was incurred, are shown below.

Year Incurred	Original Amount	Applied During the Year	Expired During the Year	Remaining Balance	Valid Until
2024	2,118,512	-	-	2,118,512	2027
2022	203,679	-	-	203,679	2025
2021	61,133	-	(61,133)	-	
	2,383,324	**-**	**(61,133)**	**2,322,191**	

Certain subsidiaries within the Group did not recognize deferred tax assets in accordance with the relevant accounting standards. The unrecognized deferred tax assets are broken down as follows:

(Amounts in PHP)	**2024**	2023
Allowance for impairment	**86,840,845**	86,840,845
NOLCO	**842,074**	9,904,857
MCIT	**-**	116,507
	87,682,919	96,862,209

Management has assessed that for other entities within the Group, the net losses incurred as well as the related NOLCO, can be recovered through their respective future operations.

The Group opted to continue claiming itemized deductions for the years ended December 31, 2024, 2023 and 2022 in computing for its income tax due.

25. RELATED PARTY TRANSACTIONS

The Group's related parties include its parent company, associates, related parties under common ownership, the Company's key management personnel and others as described below and in the succeeding pages.

25.1 Summary of Related Party Transactions

The summary of the Group's transactions with its related parties for the years ended December 31, 2024, 2023 and 2022, and the related outstanding balances as at December 31, 2024 and 2023 is discussed below and in the succeeding pages.

(Amounts in PHP)		Amount of Transaction			Outstanding Balances	
Related Party Category	Notes	**2024**	2023 [As Restated – see Note 2.1 (c)]	2022 [As Restated – see Note 2.1 (c)]	**2024**	2023 [As Restated – see Note 2.1 (c)]
Parent company:						
Interest-bearing loans	25.8	**-**	(1,500,000,000)	(1,500,000,000)	**(2,128,953,824)**	(2,128,953,824)
Dividends paid	25.9	**-**	102,055,816	-	**-**	-
Interest	25.8	**(33,722,425)**	(9,586,218)	(7,358,663)	**179,968,187**	169,856,198
Availment of advances – net of interest and repayments	25.4	**54,769,701**	81,923,365	(50,589,788)	**(555,203,627)**	(609,973,328)
Lease liabilities	25.2(b)	**(44,278,557)**	(59,572,860)	(56,490,106)	**(47,607,316)**	(91,885,873)
Right-of-use assets	25.2(b)	**(41,356,430)**	(59,484,473)	(64,257,770)	**48,280,716**	89,637,146
Commission expense	25.5	**6,914,179**	4,057,829	5,362,486	**-**	-
Management fee	25.6	**8,571,429**	8,571,429	9,427,310	**-**	-
Associates:						
Granting of cash advances net of collections	25.3	**-**	2,596,246	(1,137,483)	**23,839,944**	23,839,944

(Amounts in PHP)		Amount of Transaction			Outstanding Balances	
Related Party Category	Notes	**2024**	2023 [As Restated – see Note 2.1 (c)]	2022 [As Restated – see Note 2.1 (c)]	**2024**	2023 [As Restated – see Note 2.1 (c)]
Other investees of shareholders:						
Granting of cash advances – net of collections	25.3	**(12,057,082)**	(107,686,787)	(40,055,269)	**531,961,105**	544,018,187
Availment of advances – net of repayments	25.4	**(8,597,935)**	77,371,561	(51,508,584)	**(90,780,337)**	(82,182,400)
Key Management Personnel –						
Compensation	25.7	**37,040,959**	35,002,598	32,518,864	**-**	-

Unless otherwise stated, the related receivables and payables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand. Based on management's assessment, certain advances to related parties were impaired as of December 31, 2024 and 2023 as discussed in Notes 25.3 and 29.2(c).

25.2 Lease of Office Spaces – Company as Lessee

In December 2020, the Group entered into a new lease agreement as lessee with Megaworld covering the Group's new office space, and recognized the related right-of-use asset and lease liability in relation to this new lease agreement. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P13.5 million and P17.1 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2023 amounted to P34.5 million and P35.8 million, respectively (see Note 13).

In January 2021, the Group entered into another lease agreement as lessee with Megaworld covering the Group's new office space. The Group recognized right-of-use asset and lease liability amounting to P68.2 million and P62.1 million, respectively, in relation to this new lease agreement. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P13.6 million and P12.7 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2023 amounted to P27.3 million and P27.6 million, respectively (see Note 13).

Furthermore, in February 2022, the Group became a lessee of Megaworld for an office space located on the 15th Floor, Commerce and Industry Plaza Building for five years. The Group recognized right-of-use asset and lease liability amounting to P36.6 million and P34.1 million, respectively, in relation to this new lease agreement. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P15.2 million and P16.9 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2023 amounted to P22.6 million and P23.5 million, respectively (see Notes 2.1(c) and 13).

In March 2023, Megaworld leased out their 12th Floor Petron Mega Plaza Building in Makati City for a lease period of three years. The Group recognized P7.2 million and P6.5 million for the right-of-use asset and lease liability, respectively. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P2.9 million and P2.8 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2023 amounted to P5.3 million and P4.9 million, respectively [see Notes 2.1(c) and 13].

25.3 Advances to Related Parties – Net

The Group grants advances to its associates and other related parties for working capital purposes. These advances to related parties are unsecured, noninterest-bearing and repayable in cash upon demand.

The balances of these advances, shown as Advances to Related Parties – Net account in the consolidated statements of financial position as at December 31, are presented below.

(Amounts in PHP)	**2024**	2023
Associates	**23,839,944**	23,839,944
Other investee companies of shareholders	**531,961,105**	544,018,187
	555,801,049	567,858,131

A summary of transactions with these related parties are as follows:

(Amounts in PHP)	**2024**	2023	2022
Associates:			
Balance at beginning of year	**23,839,944**	21,243,698	22,381,181
Collections	**-**	(21,004)	(1,179,630)
Cash advances granted	**-**	2,617,250	42,147
Balance at end of year	**23,839,944**	23,839,944	21,243,698
Other investee companies of shareholders:			
Balance at beginning of year	**544,018,187**	651,704,974	691,760,243
Collections	**(49,837,874)**	(162,785,969)	(88,267,605)
Cash advances granted	**37,780,792**	55,099,182	48,212,336
Balance at end of year	**531,961,105**	544,018,187	651,704,974

The Group also has short-term, unsecured and non-interest-bearing outstanding advances to officers and employees amounting to P225.6 million and P216.4 million as of December 31, 2024 and 2023, respectively, which are presented as Advances to officers and employees under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6). These are settled through salary deduction or liquidation. As of December 31, 2024 and 2023, management assessed that certain advances to related parties amounting to P73.4 million are not recoverable [see Note 29.2(c)]. Accordingly, this has been fully provided with allowance for impairment in the prior years. No impairment losses were recognized in 2024 and 2023.

25.4 Advances from Related Parties

The Group obtains advances from its parent company and other related parties for working capital purposes. These advances are unsecured and are repayable in cash upon demand. Also, except for the advances from Megaworld, these advances are non-interest-bearing.

The balances of these advances, shown as Advances from Related Parties account in the consolidated statements of financial position as at the end of the reporting periods, are presented in the succeeding page.

(Amounts in PHP)	**2024**	2023
Parent company	**555,203,627**	609,973,328
Other investee companies of shareholders	**90,780,337**	82,182,400
	645,983,964	692,155,728

A summary of transactions with these related parties are as follows:

(Amounts in PHP)	**2024**	2023	2022
Parent Company:			
Balance at beginning of year	**609,973,328**	691,896,693	742,486,481
Repayments	**(88,492,126)**	(91,509,583)	(52,389,997)
Interest expense	**33,722,425**	9,586,218	1,800,209
Balance at end of year	**555,203,627**	609,973,328	691,896,693
Other investee companies of shareholders			
Balance at beginning of year	**82,182,400**	159,553,961	108,045,377
Repayments	**(16,810,279)**	(94,929,726)	(36,917,947)
Cash advances obtained	**25,408,216**	17,558,165	88,426,531
Balance at end of year	**90,780,337**	82,182,400	159,553,961

The advances from Megaworld bear annual interest of 6.0%. The interest expense incurred in 2024, 2023 and 2022 are presented as part of Finance costs under the Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 20.2).

The related unpaid interest of the advances from Megaworld amounting to P180.0 million and P71.3 million as at December 31, 2024 and 2023, respectively, is included as part of the Advances from Related Parties account in the consolidated statements of financial position.

25.5 Commissions

In the normal course of business, the Group pays commissions to Megaworld for marketing services rendered by the latter with the purpose of increasing sales from on-going projects. The commissions are based on pre-agreed rates and are payable once a certain percentage of the contract price has been collected. Commissions incurred in 2024, 2023 and 2022 are presented as part of Commissions under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 21). There was no outstanding balance from this transaction as of December 31, 2024 and 2023.

25.6 Management Fee

The Group obtains services from the parent company for a fixed consideration. The amount of expenses incurred from such transaction is recorded as part of Miscellaneous under Other Operating Expenses account in the 2024, 2023 and 2022 consolidated statements of comprehensive income (see Note 21). There was no outstanding balance from this transaction as of December 31, 2024 and 2023.

25.7 Key Management Personnel Compensation

The Group's key management personnel compensation includes the following:

(Amounts in PHP)	Note	**2024**	2023	2022
Short-term benefits		**30,660,049**	28,837,531	27,550,622
Post-employment defined benefit	23.1	**6,380,910**	6,165,067	4,968,242
		37,040,959	35,002,598	32,518,864

25.8 Interest-Bearing Loans

The Company and TLC obtained unsecured, interest-bearing loans from Megaworld for working capital requirements in 2022. The outstanding balance of the loan amounted to P2,129.0 million for both December 31, 2024 and 2023, and is presented as part of Interest-bearing Loans account in the consolidated statements of financial position (see Note 15). The interest payable as of December 31, 2024 and 2023 is P0.2 million and is presented as part of Trade and Other Payable in the consolidated financial statements. The related interest from these loans is presented as part of Finance Costs and Other Charges in the consolidated statements of comprehensive income (see Note 20.2).

25.9 Dividends Paid to the Parent Company

The Parent Company received dividends from the Company amounting to P102.1 million in 2023. The Parent Company did not receive dividends from the Company in 2024 and 2022. Consequently, there were no outstanding liabilities relating to this transaction (see Note 26.2).

25.10 Employee Stock Option Plan (ESOP)

Under the ESOP, the Company shall initially reserve for exercise of share options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant (see Note 26.3).

26. EQUITY AND REDEEMABLE PREFERENCE SHARES

26.1 Capital Stock

Capital stock as of December 31, 2024 and 2023 consists of:

	Shares	Amount
Common shares – P1.00 par value		
Authorized	20,000,000,000	P 20,000,000,000
Issued and outstanding		
Balance at beginning and end of year	10,986,000,000	P 10,986,000,000

On November 23, 1995, the SEC approved the listing of the Company's common shares totalling 150.0 million. The shares were initially issued at an offer price of P19.50 per common share. As at December 31, 2024 and 2023, there are 4,144 and 4,164 holders of the listed shares, respectively, which closed at P0.64 per share and P0.95 per share, respectively.

The Company also made additional listings of 5.0 billion and 2.5 billion shares with offer prices at P1.00 per share and P2.26 per share on January 27, 2012, and August 14, 2013, respectively.

26.2 Cash Dividends

On June 30, 2023, the BOD approved the declaration and distribution of cash dividends of the Parent Company amounting to P124.1 million to all stockholders of record as of July 28, 2023 paid on August 23, 2023. There was no similar transaction in 2024 and 2022.

26.3 ESOP

On September 23, 2011, the Company's BOD approved an ESOP for its key executive officers. This was approved on November 8, 2011 by stockholders holding at least two-thirds of the outstanding capital stock. The purpose of the ESOP is to enable the key executives and senior officers of the Company, who are largely responsible for its further growth and development, to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The ESOP is being administered by the Executive Compensation Committee of the BOD.

Under the ESOP, the Company shall initially reserve for exercise of stock options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Stock options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for twelve months immediately preceding the date of grant. The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period. The Company shall receive cash for the stock options.

As of December 31, 2023, pursuant to this ESOP, GERI has granted the option to its key company executives to subscribe to 400.0 million shares of GERI. An option holder may exercise in whole or in part his vested option provided, that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 million options were fully vested as of December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods. As at December 31, 2024 and 2023, there are no remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The principal assumptions used in the valuation are shown below.

Grant dates	:	February 16, 2012, February 18, 2013 March 7, 2014, March 9, 2015, July 14, 2016
Vesting period ends	:	February 15, 2015, February 17, 2016. March 6, 2017, February 16, 2018 July 13, 2019
Option life	:	Seven years
Share price at grant dates	:	P2.10, P2.09, P1.60, P1.63, P1.02
Exercise price at grant dates	:	P1.93, P1.69, P1.50, P1.65, P1.00
Average fair value at grant dates	:	P2.27, P0.74, P0.42, P0.34, P0.24
Average standard deviation of share price returns	:	57.10%, 20.85%, 16.16%, 12.16%, 15.29%
Average risk-free investment rates	:	2.46%, 2.14%, 2.46%, 2.51%, 2.59%

The underlying expected volatility was determined by reference to historical date of the Company's shares over a period of time consistent with the option life.

26.4 Redeemable Preferred Shares

On September 4, 2012, TLC's BOD approved the additional subscriptions to 1,258.0 million preferred shares out of TLC's authorized capital stock as partial payment for certain parcels of land with total fair value of P1,338.2 million. The SEC approved the issuance through exchange of certain parcels of land on April 17, 2013.

Generally non-voting, these preferred shares earn dividends at a fixed annual rate of 2.3% subject to the existence of TLC's unrestricted retained earnings. The preferred shares have a maturity of 10 years and shall be redeemed on every anniversary date beginning on the sixth anniversary date until expiration of the 10-year period. The related interest expense recognized amounting to P5.3 million in 2022 is presented as part of Finance costs under the Finance Costs and Other Charges account in the 2022 consolidated statement of comprehensive income (see Note 20.2). There was no similar transaction in 2024 nor in 2023 as all preferred shares were redeemed in full in 2022.

Based on PAS 32, *Financial Instruments: Presentation,* the preferred shares are considered as financial liabilities due to fixed redemption date and mandatory dividends to the holders. Accordingly, the redeemable preferred shares are recognized at fair value on the date of issuance. The fair values of the redeemable preferred shares on the date of issuance approximate their par value.

27. EARNINGS PER SHARE

Earnings per share amounts were computed as follows:

(Amounts in PHP)	**2024**	2023	2022
Basic:			
Net profit attributable to Company's shareholders	**1,780,517,595**	1,840,185,198	1,789,342,344
Divided by weighted number of outstanding common shares	**10,986,000,000**	10,986,000,000	10,986,000,000
	0.162	0.168	0.163
Diluted:			
Net profit attributable to Company's shareholders	**1,780,517,595**	1,840,185,198	1,789,342,344
Divided by weighted number of outstanding common shares	**10,986,000,000**	11,008,602,740	11,036,000,000
	0.162	0.167	0.162

In relation to the approved ESOP for key executive officers, the remaining vested options exercisable by any of the option holders were considered as potentially dilutive shares in 2022. However, these are not exercisable any longer as at the end of the reporting periods 2023 and 2024.

28. COMMITMENTS AND CONTINGENCIES

28.1 Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases covering real estate properties for commercial use (see Note 11). The leases have terms ranging from 1 to 25 years, with renewal options, and include annual escalation rates of 5.00% to 10.00%. The average annual rental covering these agreements amounts to P341.5 million.

Future minimum lease payments receivable under these operating lease agreements are as follows:

(Amounts in PHP)	**2024**	2023	2022
Within one year	**522,686,505**	462,604,668	502,776,320
After one year but not more than two years	**392,408,845**	392,376,722	351,220,130
After two years but not more than three years	**256,436,440**	309,716,349	313,091,791
After three years but not more than four years	**206,914,087**	220,796,848	268,575,303
After four years but not more than five years	**238,040,701**	215,947,562	363,591,703
More than five years	**1,721,953,026**	1,753,519,332	1,959,264,168
	3,338,439,604	3,354,961,481	3,758,519,415

The undiscounted maturity analysis of finance lease receivable is as follows:

(Amounts in PHP)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
December 31, 2024							
Lease collection	27,514,054	26,281,499	24,301,659	25,030,708	25,781,630	604,036,152	732,945,702
Interest income	(24,641,019)	(24,407,402)	(24,373,209)	(24,352,433)	(24,269,834)	(295,787,287)	(417,831,184)
Net present value	**2,873,035**	**1,874,097**	**(71,550)**	**678,275**	**1,511,796**	**308,248,865**	**315,114,518**
December 31, 2023							
Lease collection	26,846,871	27,514,054	26,281,499	24,301,659	25,030,708	629,817,781	759,792,572
Interest income	(24,829,545)	(24,641,019)	(24,407,402)	(24,373,209)	(24,352,433)	(320,057,120)	(442,660,728)
Net present value	2,017,326	2,873,035	1,874,097	(71,550)	678,275	309,760,661	317,131,844

28.2 Others

The Company has unused long-term credit facilities amounting to P1,000 million and P500 million, as of 2024 and 2023, respectively. There are other commitments and contingent liabilities that may arise in the normal course of the Group's operations that are not reflected in the consolidated financial statements. As of the end of the reporting period, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's consolidated financial statements.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's financial assets and financial liabilities by category are summarized in Note 30.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed to are below and described below and in the succeeding pages.

29.1 Market Risk

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise mainly from the Group's United States (U.S.) dollar-denominated cash and cash equivalents.

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

U.S. dollar denominated financial assets, translated into Philippine pesos at the closing rates at end of 2024 and 2023, pertain to cash and cash equivalents amounting to P130.8 million and P75.4 million, respectively. The Group has no U.S. dollar denominated financial liabilities in 2024 and 2023.

If the Philippine peso had strengthened against the U.S. dollar, profit before tax would have decreased by P6.8 million and P4.5 million in 2024 and 2023, respectively. If the Philippine peso had weakened against the U.S. dollar, then this would have increased profit before tax in 2024 and 2023 by the same amount. This sensitivity of the net result for the year assumes a +/-5.22% and +/-5.94% change of the Philippine peso/U.S. dollar exchange rate for the years ended December 31, 2024 and 2023, respectively. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months for 2024 and 2023 estimated at 68% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of the reporting period.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

(b) Interest Rate Risk

At December 31, 2024 and 2023, the Group is exposed to changes in market interest rates through its cash and cash equivalents and long-term interest-bearing loans, which are subject to variable interest rates (see Notes 5 and 15). All other financial assets and liabilities have fixed rates.

The sensitivity of the Group's profit before tax is analyzed based on reasonably possible change for the year to a reasonably possible change in interest rate of +/-2.30% in 2024 and +/-3.59% in 2023. These changes are considered to be reasonably possible based on observation of current market conditions. The percentage changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months at a 99% confidence level. The sensitivity analysis is based on the Group's financial instruments held at the end of each reporting period, with effect estimated from the beginning of the year. All other variables held constant, if the interest rate increased by 2.30% in 2024 and 3.59% in 2023, profit before tax would have increased by P216.3 million and P4.9 million in 2024 and 2023, respectively. Conversely, if the interest rate decreased by the same percentages, profit before tax in 2024 and 2023 would have been higher by the same amount.

29.2 Credit Risk

Credit risk is the risk when a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, arising from granting loans and receivables to customers and related parties and by placing deposits.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the related assets as shown in the consolidated statements of financial position, as summarized below.

(Amounts in PHP)	Notes	**2024**	2023
Cash and cash equivalents	5	**2,294,241,764**	2,126,242,354
Trade receivables – net	6	**12,547,327,394**	11,077,481,354
Finance lease receivable	6	**315,114,518**	317,131,844
Rent receivables	6	**449,212,826**	367,831,088
Other receivables	6	**377,173,916**	351,772,510
Contract assets	19.2	**4,999,964,923**	5,807,264,015
Advances to real estate property owners	9	**1,369,425,104**	1,336,867,143
Advances to related parties - net	25.3	**555,801,049**	567,858,131
Refundable deposits	14	**89,458,764**	89,278,118
		22,997,720,258	22,041,726,557

(a) *Cash and Cash Equivalents*

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

As part of Group policy, bank deposits are only maintained with reputable financial institutions. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million (P1.0 million effective March 15, 2025) for every depositor per banking institution.

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. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance for impairment will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

As of December 31, 2024 and 2023, impairment allowance is not material.

(b) *Trade and Other Receivables and Contract Assets*

Credit risk of receivables and contract assets from sale of real estate properties is managed primarily through credit reviews and analyses of receivables on a regular basis. The Group undertakes credit review procedures for all installment payment terms. Customer payments are facilitated through the use of post-dated checks. Exposure to doubtful accounts is not substantial as title to real estate properties are not transferred to the buyers until full payment of the amortization has been made and the requirement for remedial procedures is negligible considering the Group's buyers' profile.

The Group has used the simplified approach in measuring ECL and has calculated ECL based on lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking information specific to the buyers and the economic environment.

The Group considers trade receivables 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 and may extend the definition of default to beyond 90 days. Furthermore, 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.

The provision rate is based on days past due of all customers as they have similar loss patterns. The credit enhancements such as advance payment and value of the real estate for sale are considered in the calculation of impairment as recoveries.

The management determined that there is no required ECL to be recognized since the real estate sold is collateralized to the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient.

Other components of receivables such as rental receivables are also evaluated by the Group for impairment and assessed that certain rental receivables were no longer collectible as of December 31, 2024 and 2022. Accordingly, the related impairment loss amounting to P98.4 million and P34.8 million in 2024 and 2022, respectively, was recognized (see Notes 6 and 21). There was no similar assessment for 2023. Rental receivables are secured to the extent of advance rental and rental deposit received from the lessees, which are in average equivalent to six months.

The estimated fair value of collateral and other security enhancements held against instalment contract receivables, contract assets and rent receivables are presented below:

(Amounts in PHP)	**Gross Maximum Exposure**	**Fair Value of Collaterals**	**Net Exposure**
2024			
Instalment contract receivables - net	13,424,834,228	22,753,428,635	-
Contract assets	4,999,964,923	8,691,212,671	-
Rent receivables	449,212,826	317,835,793	131,377,033
	18,874,011,977	**31,762,477,099**	131,377,033
2023			
Instalment contract receivables - net	11,077,481,354	17,561,434,431	-
Contract assets	5,807,264,015	11,715,902,328	-
Rent receivables	367,481,088	438,674,951	46,407,031
	17,252,226,457	29,716,011,710	46,407,031

Some of the unimpaired trade and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented below.

(Amounts in PHP)	**2024**	2023
Current (not past due)	**11,543,112,713**	10,879,025,875
Past due but not impaired:		
More than one month but not more than three months	**331,278,641**	203,932,332
More than three months but not more than six months	**232,295,172**	148,604,625
More than six months but not more than one year	**401,477,326**	393,609,428
More than one year	**530,231,173**	538,500,621
	13,038,395,025	12,163,672,881

(c) *Advances to Related Parties, Advances to Real Estate Property Owners and Refundable Deposits*

ECL for advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Management assessed that the outstanding receivables from certain related parties as of December 31, 2024 and 2023 are not recoverable since these related parties have no capacity to pay the advances upon demand; hence, fully provided with allowance. No additional impairment loss was recognized in 2024 and 2023 (see Note 25.3).

The Group does not consider any significant risks in the remaining advances to related parties since Megaworld and other related parties, whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of AGI's long-term corporate strategy.

In addition, there is also no significant risks in the advances to real estate property owners as these are advances to joint venturers in the Group's certain real estate projects which are set-off against the joint venturers' share in the collections of receivables pertaining to such projects. As of December 31, 2024 and 2023, impairment allowance is not material.

With respect to refundable deposits, management assessed that these financial assets have low probability of default since these relate to reputable companies (i.e., with high quality external credit ratings).

29.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As of end of the reporting periods, the Group's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)		**Current**		**Non-current**	
	Notes	**Within 6 months**	**6 to 12 Months**	**1 to 5 Years**	**Later than 5 years**
December 31, 2024					
Interest-bearing loans	15	948,606,497	1,108,008,215	7,890,001,611	-
Trade and other payables	16	722,979,410	3,958,986,753	-	-
Advances from related parties	25	645,983,964	-	-	-
Due to joint venture partners	9	-	491,051,555	-	-
Lease liabilities	13	40,308,551	40,308,551	154,283,385	722,295,135
Security deposits	16, 18	137,621,162	-	-	30,874,963
Retention payable	16, 18	-	292,362,430	-	530,235,561
		2,495,499,584	**5,890,717,504**	**8,044,284,996**	**1,283,405,659**

(Amounts in PHP)		Current		Non-current	
	Notes	Within 6 months	6 to 12 Months	1 to 5 Years	Later than 5 years
December 31, 2023					
Interest-bearing loans	15	1,134,596,230	1,000,667,586	8,541,394,029	693,041,667
Trade and other payables	16	888,925,605	3,237,823,989	-	-
Advances from related parties	25	692,155,728	-	-	-
Due to joint venture partners	9	-	493,245,600	-	-
Lease liabilities	13				
[As restated see Note 2.1(c)]		45,319,026	45,319,026	197,917,188	759,278,435
Security deposits	16, 18	114,336,210	-	-	41,259,837
Retention payable	16, 18	-	307,382,414	-	438,802,308
		2,875,332,799	5,084,438,615	8,739,311,217	1,932,382,247

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the reporting dates.

30. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

The carrying amounts and fair values of the categories of financial assets presented in the consolidated statements of financial position are shown below.

(Amounts in PHP)		2024		2023 [As restated – see Note 2.1(c)]	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial assets					
At amortized cost:					
Cash and cash equivalents	5	**2,294,241,764**	**2,294,241,764**	2,126,242,354	2,126,242,354
Trade and other receivables	6	**13,688,828,654**	**18,088,986,708**	12,114,216,796	12,759,291,086
Advances to real estate property owners	9	**1,369,425,104**	**1,369,425,104**	1,336,867,143	1,336,867,143
Advances to related parties – net	25.3	**555,801,049**	**555,801,049**	567,858,131	567,858,131
Refundable deposits	14	**89,458,764**	**89,458,764**	89,278,118	89,278,118
		17,997,755,335	**22,397,913,389**	16,234,462,542	16,879,536,832
Financial liabilities					
At amortized cost:					
Interest-bearing loans	15	**9,512,119,109**	**10,679,126,693**	9,494,069,589	8,622,237,901
Trade and other payables	16	**4,681,966,162**	**4,681,966,162**	4,126,749,594	4,126,749,594
Advances from related parties	25.4	**645,983,964**	**645,983,964**	692,155,728	692,155,728
Due to joint venture partners	17	**491,051,555**	**491,051,555**	493,245,600	493,245,600
Retention payable	16, 18	**822,597,991**	**822,597,991**	746,184,722	746,184,722
Security deposits	16, 18	**168,496,125**	**168,496,125**	155,596,047	155,596,047
Lease liabilities	13	**465,796,288**	**465,796,288**	517,740,465	517,740,465
		16,788,011,194	**17,955,018,778**	16,225,741,745	15,353,910,057

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Offsetting of Financial Assets and Financial Liabilities

Except as disclosed in Note 6, the Group has not set-off any other financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders or upon instruction by the Group. As such, the Group's outstanding advances to related parties amounting to P555.8 million and P567.9 million can be offset by the amount of outstanding advances from related parties amounting to P646.0 million and P692.2 million as at December 31, 2024 and 2023, respectively (see Note 25).

The Group has cash in certain local banks to which it has outstanding loans (see Note 15). In case of the Group's default on loan amortization, cash in banks amounting to P2,187.7 million and P1,703.6 million can be applied against its outstanding loans from banks amounting to P7,383.2 million and P7,365.1 million as of December 31, 2024 and 2023, respectively (see Notes 5 and 15).

In addition, the Company's finance lease receivable amounting to P315.1 million and P317.1 million as at December 31, 2024 and 2023, respectively, can also be offset by the same outstanding amount of the related lease liability (see Note 6).

31. FAIR VALUE MEASUREMENT AND DISCLOSURES

31.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels shown below and in the succeeding pages.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

31.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the 2024 and 2023 consolidated statements of financial position but for which fair value is disclosed.

(Amounts in PHP)

	Level 1	Level 2	Level 3	Total
2024				
Financial Assets:				
Cash and cash equivalents	2,294,241,764	-	-	2,294,241,764
Trade and other receivables - net	-	-	18,088,986,708	18,088,986,708
Advances to real estate property owners	-		1,369,425,104	1,369,425,104
Advances to related parties - net	-	-	555,801,049	555,801,049
Refundable deposits	-	-	89,458,764	89,458,764
	2,294,241,764	-	20,103,671,625	22,397,913,389
Financial Liabilities:				
Interest-bearing loans	-	-	10,679,126,693	10,679,126,693
Trade and other payables	-	-	4,681,966,162	4,681,966,162
Advances from related parties	-	-	645,983,964	645,983,964
Due to joint venture partners	-	-	491,051,555	491,051,555
Lease liabilities	-	-	465,796,288	465,796,288
Security deposits	-	-	168,496,125	168,496,125
Retention payable	-	-	822,597,991	822,597,991
	-	-	17,955,018,778	17,955,018,778
2023 [As restated – see Note 2.1(c)]				
Financial Assets:				
Cash and cash equivalents	2,126,242,354	-	-	2,126,242,354
Trade and other receivables - net	-	-	12,759,291,086	12,759,291,086
Advances to real estate property owners	-	-	1,336,867,143	1,336,867,143
Advances to related parties - net	-	-	567,858,131	567,858,131
Refundable deposits	-	-	89,278,118	89,278,118
	2,126,242,354	-	14,753,294,478	16,879,536,832
Financial Liabilities:				
Interest-bearing loans	-	-	8,622,237,901	8,622,237,901
Trade and other payables	-	-	4,126,749,594	4,126,749,594
Advances from related parties	-	-	692,155,728	692,155,728
Due to joint venture partners	-	-	493,245,600	493,245,600
Lease liabilities	-	-	517,740,465	517,740,465
Security deposits	-	-	155,596,047	155,596,047
Retention payable	-	-	746,184,722	746,184,722
	-	-	15,353,910,057	15,353,910,057

For financial assets with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values due to their short-term duration.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market is determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. For those with short term duration, the carrying amount approximates the fair value.

31.3 Investment Properties Measured at Cost for Which Fair Value is Disclosed

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's investment properties is its current use.

The fair value of the investment properties was determined based on the following approaches (see Note 11):

(i) Fair Value Measurement for Land and Land Development and Improvements

The Level 3 fair value of land and land developments and improvements amounted to P31,697.9 million as at December 31, 2024 and 2023, and was derived through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

(ii) Fair Value Measurement for Building and Improvements

The fair value of the Group's building and improvements, which are classified under Level 3 of the fair value hierarchy, amounted to P15,476.2 million and P15,338.6 million, as at December 31, 2024 and 2023, respectively, and is determined by calculating the present value of the cash inflows anticipated until the end of the life of the investment properties using a discount rate of 7.80% in 2024 and 2023. The expected cash flows are based on the best use of the property, which is to earn rentals over its estimated useful life.

(iii) Fair Value Measurement of Construction in Progress

The Level 3 fair value of the construction in progress was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated cost used in the valuation will result in higher fair value of the properties. Management assessed that the fair value of the construction in progress approximates its carrying values.

Also, there were no transfers into or out of Level 3 fair value hierarchy in 2024 and 2023.

32. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group also monitors its debt coverage ratio (DCR) and current ratio as required by its loan obligations (see Note 15). The Group has complied with its covenant obligations, including maintaining the required DCR and current ratio.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

(Amounts in PHP)	**2024**	2023 [As Restated - see Note 2.1(c)]
Total liabilities	**22,144,409,853**	21,859,028,371
Total equity	**40,705,695,669**	39,928,262,228
Debt-to-equity ratio	**0.54 : 1.00**	0.55 : 1.00

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities in 2024, 2023 and 2022 is presented below. The details of net cash flows are presented in the consolidated statements of cash flows.

(Amounts in PHP)	**Interest-bearing Loans** (see Note 15)	**Advances from Related Parties** (see Note 25.4)	**Lease Liabilities** (As restated – see Notes 2.1(c) and 13.2)	**Total**
Balance as of January 1, 2024				
As previously reported	9,494,069,589	692,155,728	410,360,748	10,596,586,065
Effect of restatement	-	-	107,379,717	107,379,717
As restated	9,494,069,589	692,155,728	517,740,465	10,703,965,782
Cash flows from financing activities:				
Additional borrowings	1,500,000,000	25,408,216	-	1,525,408,216
Repayments of borrowings	(1,481,950,480)	(105,302,405)	(63,751,311)	(1,651,004,196)
Non-cash financing activities:				
Interest amortization on lease liabilities	-	-	38,654,005	38,654,005
Offsetting	-	-	(26,846,871)	(26,846,871)
Interest expense	-	33,722,425	-	33,722,425
Balance as of December 31, 2024	**9,512,119,109**	**645,983,964**	**465,796,288**	**10,623,899,361**
Balance as of January 1, 2023				
As previously reported	7,605,669,500	851,450,654	442,785,021	8,899,905,175
Effect of restatement	-	-	112,211,636	112,211,636
As restated	7,605,669,500	851,450,654	554,996,657	9,012,116,811
Cash flows from financing activities:				
Additional borrowings	5,000,000,000	17,558,165	-	5,017,558,165
Repayments of borrowings	(3,111,599,911)	(186,439,309)	(62,506,760)	(3,360,545,980)
Non-cash financing activities:				
Interest amortization on lease liabilities	-	-	42,506,555	42,506,555
Offsetting	-	-	(26,199,118)	(26,199,118)
Interest expense	-	9,586,218	-	9,586,218
Recognition of lease liabilities	-	-	9,922,379	9,922,379
Derecognition	-	-	(979,248)	(979,248)
Balance as of December 31, 2023	9,494,069,589	692,155,728	517,740,465	10,703,965,782
Balance as of January 1, 2022				
As previously reported	7,492,924,404	850,531,858	471,942,785	8,815,399,047
Effect of restatement	-	-	72,591,864	72,591,864
As restated	7,492,924,404	850,531,858	544,534,649	8,887,990,911
Cash flows from financing activities:				
Additional borrowings	1,500,000,000	88,426,531	-	1,588,426,531
Repayments of borrowings	(1,387,254,904)	(89,307,944)	(56,978,875)	(1,533,541,723)
Non-cash financing activities:				
Interest amortization on lease liabilities	-	-	44,081,428	44,081,428
Offsetting	-	-	(25,570,235)	(25,570,235)
Interest expense	-	1,800,209	-	1,800,209
Recognition of lease liabilities	-	-	48,929,690	48,929,690
Derecognition	-	-	-	-
Balance as of December 31, 2022	7,605,669,500	851,450,654	554,996,657	9,012,116,811

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries (the Group) for the year ended December 31, 2024, on which we have rendered our report dated March 21, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10465902, January 2, 2025, Makati City
BIR AN 08-002551-045-2023 (until January 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until August 12, 2027)

March 21, 2025

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

Report of Independent Auditors on Supplementary Schedules Filed Separately from the Basic Financial Statements

(1) Supplementary Schedules to Financial Statements
(Annex 68-E, SRC Rule 68)

Schedule		
A	Financial Assets (Marketable Securities)	na
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	Long-Term Debt	3
E	Indebtedness to Related Parties	4
F	Guarantees of Securities of Other Issuers	na
G	Capital Stock	5

(2) Reconciliation of Retained Earnings Available for Dividend Declaration

(3) Map Showing the Relationship Between and Among Related Parties

(4) External Auditor Fee-Related Information

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES

(A Subsidiary of Megaworld Corporation)

SCHEDULE B. - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2024

(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Ending Balance		Balance at End of Year
			Amounts Collected	Amounts Written-off	Current	Not Current	
Amounts Due from Related Parties							
FERC	P 1,259,699	P -	P -	P -	P 1,259,699	P -	P 1,259,699
FERSAI	7,790,937	-	-	-	7,790,937	-	7,790,937
FESI	2,068,038	-	-	-	2,068,038	-	2,068,038
BNHGI	3,141,747	-	-	-	3,141,747	-	3,141,747
NPI	12,721,270	-	-	-	12,721,270	-	12,721,270
Other related parties	540,876,440	37,780,792	49,837,874	-	528,819,358	-	528,819,358
TOTAL	**P 567,858,131**	**P 37,780,792**	**P 49,837,874**	**P -**	**P 555,801,049**	**P -**	**P 555,801,049**
Advances to Officers and Employees							
Binag Macaraig, Melody	P 468,960	P 37,152	P -	P -	P 506,112	P -	P 506,112
Haguisan, Hennie	-	10,387	-	-	10,387	-	10,387
Samson. Ma. Rica	648,805	-	648,805	-	-	-	-
Bravo, Melissa Anne	389,064	-	157,867	-	231,197	-	231,197
Lim, Meliza Anne	249,750	-	97,548	-	152,202	-	152,202
Carbon, Thomas George M.	96,838	9,188	-	-	106,026	-	106,026
David, Chatt S.	21,503	976,633	-	-	998,136	-	998,136
Luzung, Fred	-	20,000	-	-	20,000	-	20,000
Quintana, Allan	4,147,698	-	1,685,813	-	2,461,885	-	2,461,885
Herrera, Christopher	299,518	182,887	-	-	482,405	-	482,405
Roxas, Michael	77,577	-	77,577	-	-	-	-
Others	210,013,840	10,655,749	-	-	220,669,589	-	220,669,589
TOTAL	**P 216,413,553**	**P 11,891,996**	**P 2,667,610**	**P -**	**P 225,637,939**	**P -**	**P 225,637,939**

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
SCHEDULE C. - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Ending Balance		Balance at End of Year
			Amounts Collected	Amounts Written-off	Current	Not Current	
Amounts Receivable from Related Parties Eliminated During Consolidation							
Global-Estate Properties, Inc.	P 8,009,381,846	P -	95,057,125	P -	P 7,914,324,721	P -	P 7,914,324,721
Global-Estate Golf and Development Inc.	43,202,430	-	43,202,430	-	-	-	-
Novo Sierra Holding Corp.	355,790	697	-	-	356,487	-	356,487
Fil-Estate Urban Development Corporation	146,981,496	1,175,380	-	-	148,156,876	-	148,156,876
Oceanfront Properties	125,500,810	-	86,629,411	-	38,871,399	-	38,871,399
Megaworld Global-Estate, Inc.	78,852,535	14,268,175	-	-	93,120,710	-	93,120,710
Global Homes and Communities, Inc.	117,439,936	3,875,814	-	-	121,315,750	-	121,315,750
TOTAL	**P 8,521,714,843**	**P 19,320,066**	**P 224,888,966**	**P -**	**P 8,316,145,943**	**P -**	**P 8,316,145,943**

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
Schedule D - Long Term Debt
December 31, 2024
(Amounts in Philippine Pesos)

Title of Issue and type of obligation	Amount authorized by indenture		Amount shown under caption "Current portion of long-term debt" in related balance sheet		Amount shown under caption "Long-Term Debt" in related balance sheet	
Bank loan	P	9,500,000,000	P	1,908,200,000	P	5,474,965,285
Megaworld Corporation		2,129,000,000		-		2,128,953,824
	P	11,629,000,000	P	1,908,200,000	P	7,603,919,109

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES

(A Subsidiary of Megaworld Corporation)

SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

DECEMBER 31, 2024

(Amounts in Philippine Pesos)

Name of related party	Balance at beginning of period	Balance at end of period
Megaworld Corporation	P 2,128,953,824	P 2,128,953,824
TOTAL	**P 2,128,953,824**	**P 2,128,953,824**

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding under Related Balance Sheet Caption	Number or Shares Held By		
			Related Parties (Parent, Affiliates)	Directors, Officers and Employees	Others
Common Shares	20,000,000,000	10,986,000,000	9,064,112,659	2,722,654	1,919,164,687

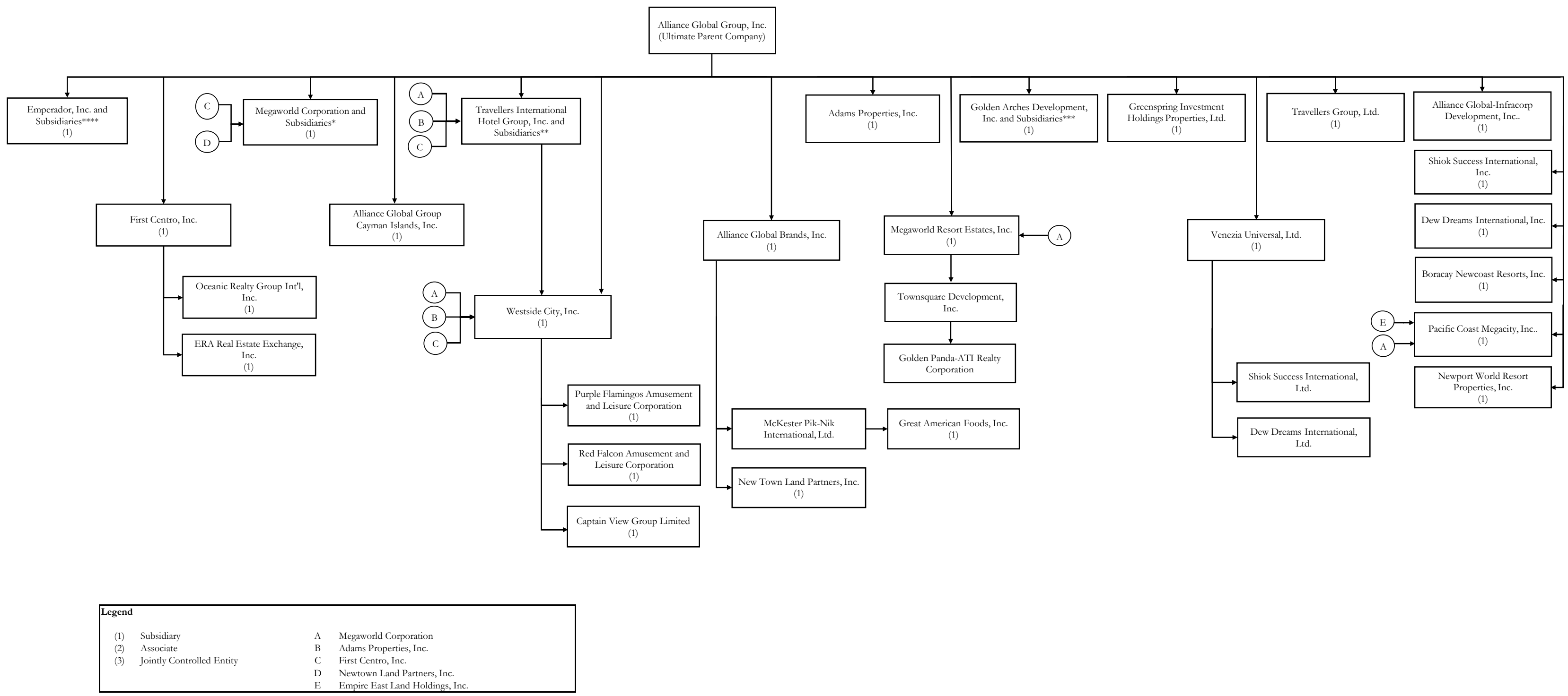
GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024

Unappropriated Retained Earnings at Beginning of Year			P	10,265,455,818
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings				
Reversal of Retained Earning Appropriation/s	P	-		
Effect of restatements or prior-period adjustments		-		
Others		-		-
Less: Category B: 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		(1,112,149,793)		
Others		-		(1,112,149,793)
Unappropriated Retained Earnings at Beginning of Year, as adjusted				9,153,306,025
Add/Less: Net Income (Loss) for the Current Year				1,824,404,388
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)				
Equity in net income of associate/joint venture, net of dividends declared		(586,458,802)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		-		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		-		
Unrealized fair value gain of investment property		-		
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS		(280,104,062)		
Sub-total				(866,562,864)
Add: Category C.2: 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 FVTPL		-		
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 the PFRS		40,666,804		
Sub-total				40,666,804
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)				
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		-		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL		-		
Reversal of previously recorded fair value gain of investment property		-		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-		
Sub-total				-
Balance carried forward				
Adjusted Net Income/Loss				10,151,814,353

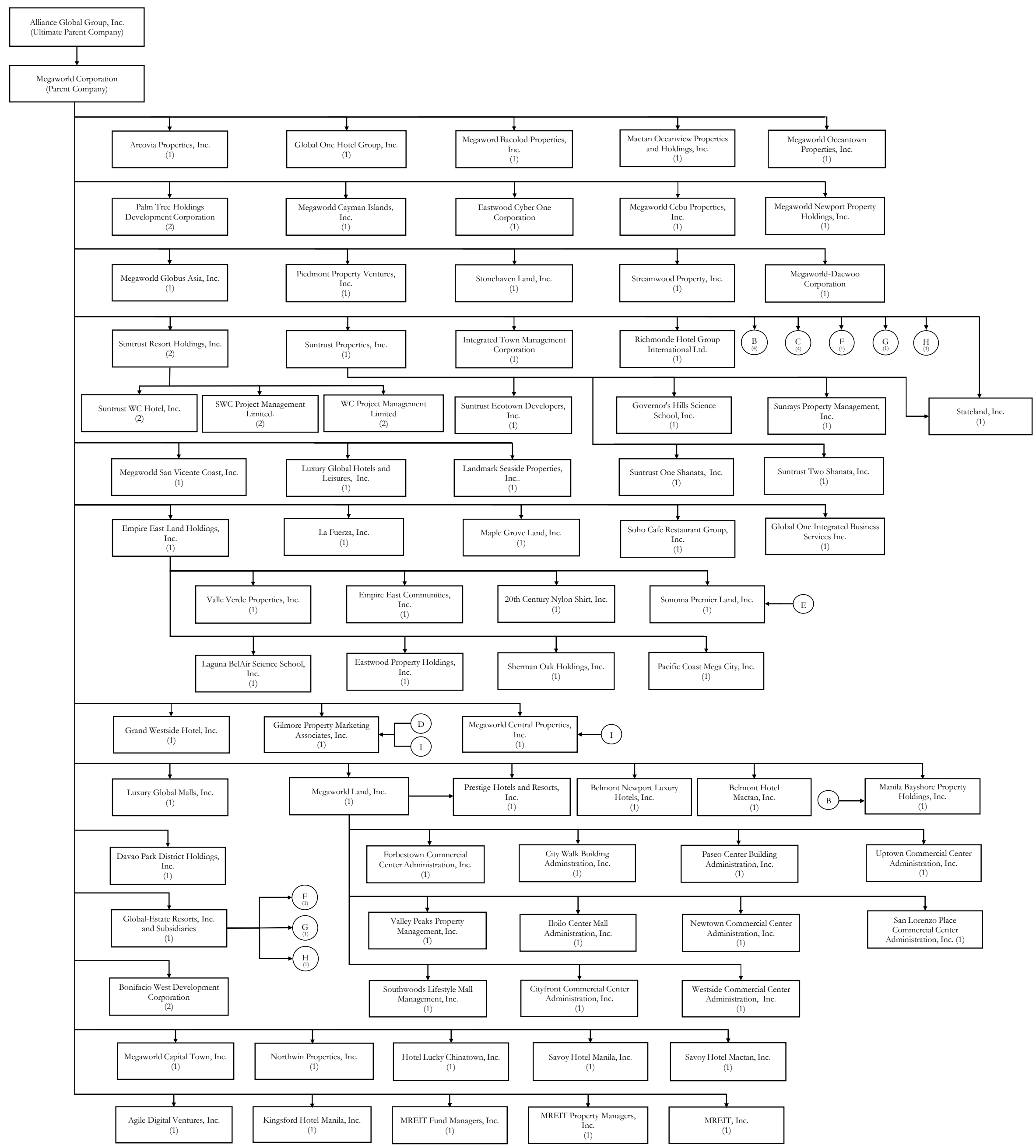
Balance brought forward

Adjusted Net Income/Loss			10,151,814,353
Add:	**Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)**		
	Depreciation on revaluation increment (after tax)	-	
	Sub-total		-
Add/	**Less: Category E: Adjustments related to relief granted by the SEC and BSP**		
	Amortization of the effect of reporting relief	-	
	Total amount of reporting relief granted during the year	-	
	Others	-	
	Sub-total		-
Add/	**Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**		
	Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(6,141,509)	
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
	Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
	Others	-	
	Sub-total		(6,141,509)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year			**P 10,145,672,844**

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and its Related Parties
December 31, 2024



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Megaworld Corporation Group
December 31, 2024



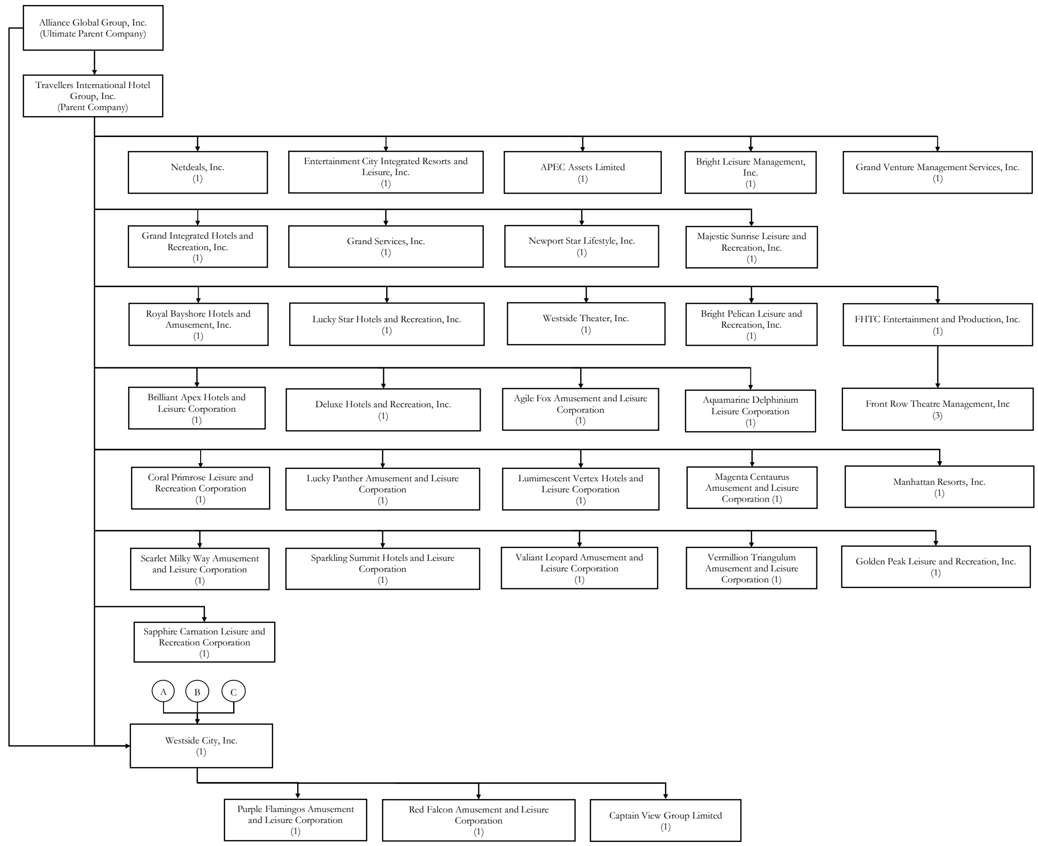
Legend

Relationship with Megaworld Corporation

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	F	Twin Lakes Corporation
B	Travellers International Hotel Group	G	Megaworld Global Estates, Inc.
C	Westside City, Inc.	H	Southwoods Mall, Inc.
D	Townsquare Development, Inc.	I	Empire East Land Holdings, Inc.
E	First Centro, Inc.		

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Travellers Group
December 31, 2024



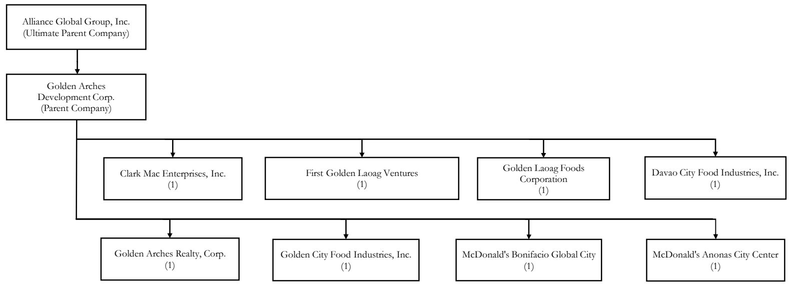
Legend

Relationship with Travellers International Hotel Group, Inc.

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Golden Arches Development Corporation Group
December 31, 2024

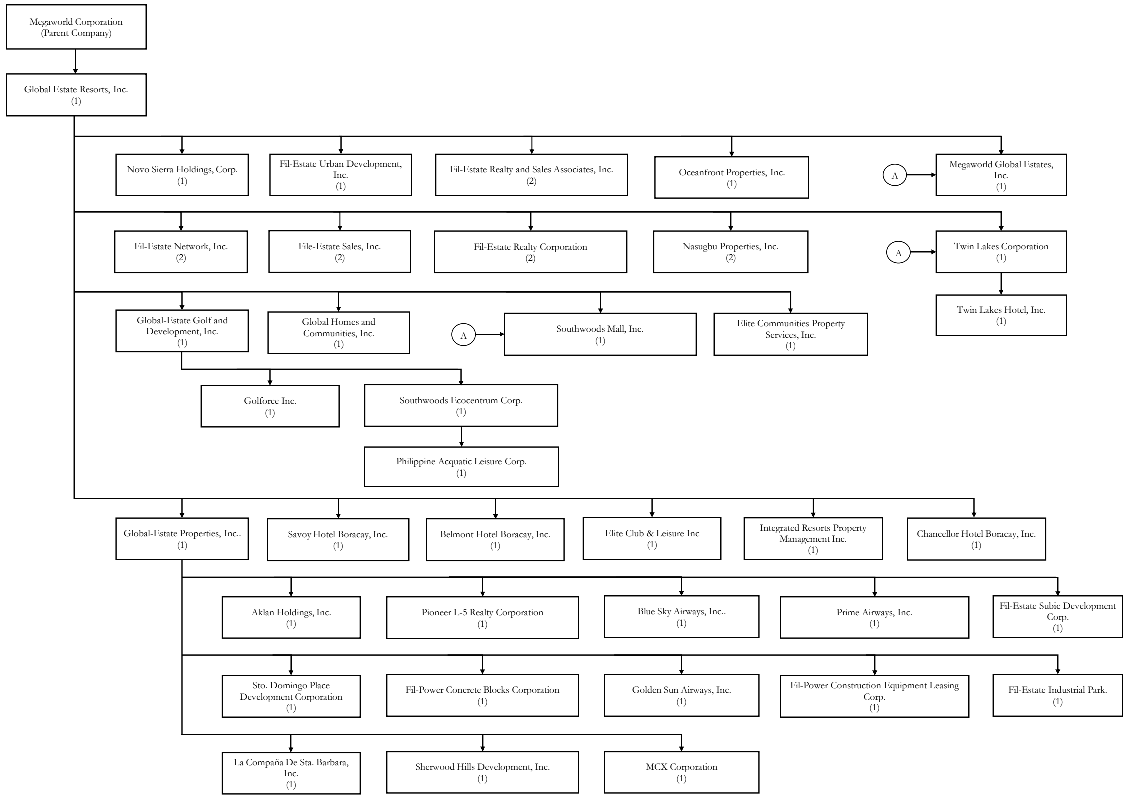


Legend

Relationship with Golden Arches Development Corporation

(1)	Subsidiary		
(2)	Associate		
(3)	Jointly Controlled Entity		
(4)	FVOCI		
A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between and
Among Megaworld and Global Estate Resorts Inc. Group
December 31, 2024

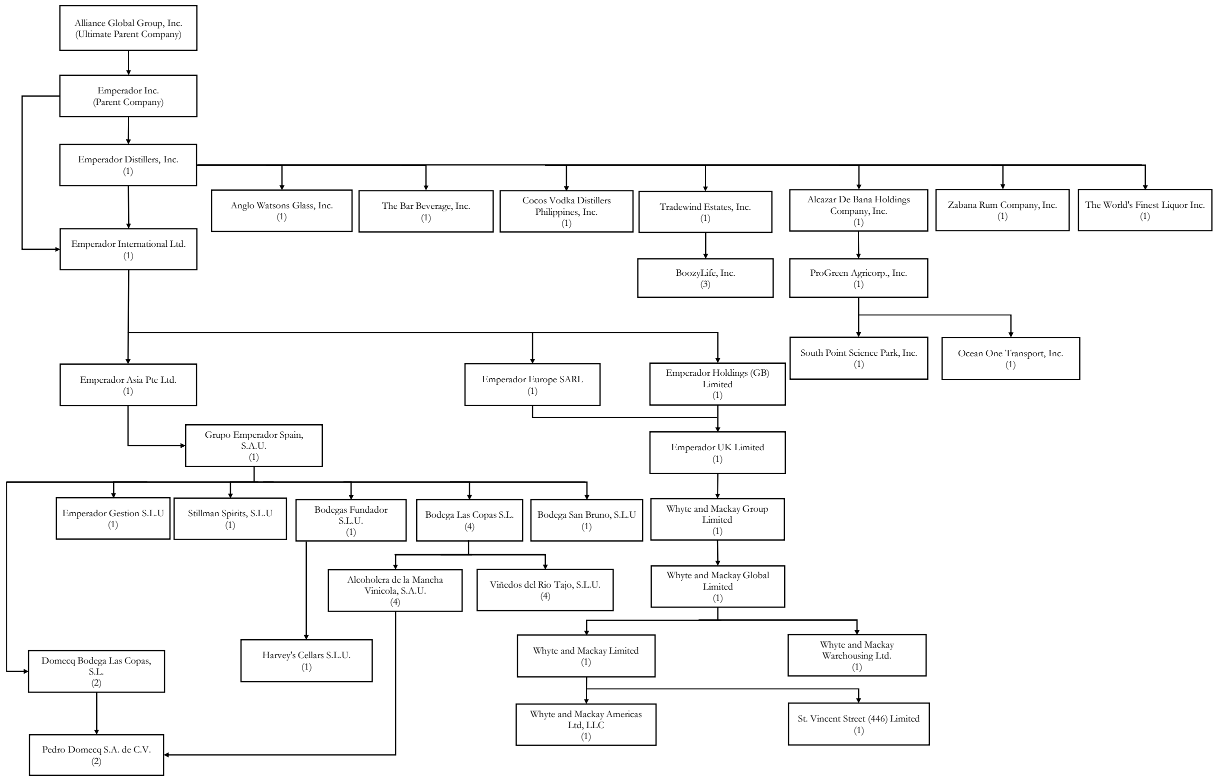


Legend

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Emperador Group
December 31, 2024



Legend

Relationship with Emperador Inc.

(1) Subsidiary (100%)
(2) Subsidiary (50%)
(3) Subsidiary (87%)
(4) Jointly Controlled Entity

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023
(Amounts in Philippine Pesos)

		2024		2023
Total Audit Fees	**P**	**7,497,321**	P	6,396,397
Non-audit service fees:				
Other assurance services		-		-
Tax services		-		-
All other services		-		-
Total Non-audit fees		**-**		-
Total Audit and Non-audit fees	**P**	**7,497,321**	P	6,396,397

Report of Independent Auditors on Components of Financial Soundness Indicators

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The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries (the Group) for the years ended December 31, 2024 and 2023, on which we have rendered our report dated March 21, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS Accounting Standards) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for the years then ended and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: **Edcel U. Costales**
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10465902, January 2, 2025, Makati City
BIR AN 08-002551-045-2023 (until January 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

March 21, 2025

GLOBAL - ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2024 and 2023

Ratio	Formula		2024	Formula		2023 [As Restated - see Note 2]
Current ratio	Total Current Assets divided by Total Current Liabilities		4.52	Total Current Assets divided by Total Current Liabilities		4.86
	Total Current Assets	43,382,348,971		Total Current Assets	41,154,083,438	
	Divide by: Total Current Liabilities	9,595,390,150		Divide by: Total Current Liabilities	8,468,427,148	
	Current ratio	4.52		Current ratio	4.86	
Quick assets ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities		1.97	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities		1.83
	Total Current Assets	43,382,348,971		Total Current Assets	41,154,083,438	
	Less: Inventories	(19,811,862,169)		Less: Inventories	(21,153,887,807)	
	Other Current Assets	(4,634,292,827)		Other Current Assets	(4,512,403,499)	
	Quick Assets	18,936,193,975		Quick Assets	15,487,792,132	
	Divide by: Total Current Liabilities	9,595,390,150		Divide by: Total Current Liabilities	8,468,427,148	
	Quick Assets ratio	1.97		Quick Assets ratio	1.83	
Solvency ratio	Total Assets divided by Total Liabilities		2.84	Total Assets divided by Total Liabilities		2.83
	Total Assets	62,850,105,522		Total Assets	61,787,290,599	
	Divide by: Total Liabilities	22,144,409,853		Divide by: Total Liabilities	21,859,028,371	
	Solvency ratio	2.84		Solvency ratio	2.83	
Debt-to-equity ratio	Total Liabilities divided by Total Equity		0.54	Total Liabilities divided by Total Equity		0.55
	Total Liabilities	22,144,409,853		Total Liabilities	21,859,028,371	
	Divide by: Total Equity	40,705,695,669		Divide by: Total Equity	39,928,262,228	
	Debt-to-equity ratio	0.54		Debt-to-equity ratio	0.55	
Assets-to-equity ratio	Total Assets divided by Total Equity		1.54	Total Assets divided by Total Equity		1.55
	Total Assets	62,850,105,522		Total Assets	61,787,290,599	
	Divide by: Total Equity	40,705,695,669		Divide by: Total Equity	39,928,262,228	
	Assets-to-equity ratio	1.54		Assets-to-equity ratio	1.55	
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense		8.83	Earnings before interest and taxes (EBIT) divided by Interest expense		31.02
	EBIT	3,051,725,491		EBIT	3,024,222,378	
	Divide by: Interest expense	345,576,030		Divide by: Interest expense	97,488,666	
	Interest rate coverage ratio	8.83		Interest rate coverage ratio	31.02	
Return on equity *(attributable to Parent Company's shareholders)*	Net Profit divided by Average Total Equity		0.05	Net Profit divided by Average Total Equity		0.06
	Net Profit	1,780,517,595		Net Profit	1,840,185,198	
	Divide by: Average Total Equity	33,861,295,524		Divide by: Average Total Equity	32,671,894,676	
	Return on equity	0.05		Return on equity	0.06	

Ratio	Formula		2024	Formula		2023
Return on assets *(attributable to Parent Company's shareholders)*	Net Profit divided by Average Total Assets		0.03	Net Profit divided by Average Total Assets		0.03
	Net Profit	1,780,517,595		Net Profit	1,840,185,198	
	Divide by: Average Total Assets	62,318,698,061		Divide by: Average Total Assets	59,564,149,237	
	Return on assets	0.03		Return on assets	0.03	
Net profit margin *(attributable to Parent Company's shareholders)*	Net Profit divided by Total Revenue		0.20	Net Profit divided by Total Revenue		0.22
	Net Profit	1,780,517,595		Net Profit	1,840,185,198	
	Divide by: Total Revenue	8,886,519,613		Divide by: Total Revenue	8,338,664,616	
	Net profit margin	0.20		Net profit margin	0.22	

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

Sec Registration Number

A	S	O	9	4	0	0	4	4	6	2

C O M P A N Y   N A M E

G L O B A L - E S T A T E   R E S O R T S ,   I N C .

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

9 T H   F L O O R   E A S T W O O D   G L O B A L   P L A Z A
P A L M   T R E E   A V E N U E   B A G U M B A Y A N
1 1 1 0   Q U E Z O N   C I T Y

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
lvvillanueva@global-estate.ph	5-328-4370	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,128	Last Thursday of June	December-31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
LAILANI V. VILLANUEVA	lvvillanueva@global-estate.ph	5-328-4370	N/A

CONTACT PERSON'S ADDRESS

9/F Eastwood Global Plaza, Palm Tree Ave., Eastwood City, Bagumbayan, Quezon City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

GLOBAL-ESTATE RESORTS, INC.
9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Global-Estate Resorts, Inc** 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, and 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 or error.

In preparing the financial statements, management is responsible for assessing 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 company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing group'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.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Andrew L. Tan
Chairman of the Board

Monica T. Salomon
President

Lailani V. Villanueva pw
Chief Finance Officer

Signed this 21st day of March, 2025

GLOBAL-ESTATE RESORTS, INC.
9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

SUBSCRIBED AND SWORN to before me this ____ day of 0 2 APR 2025 at QUEZON CITY, Philippines, affiant(s) exhibited to me their respective Identification Cards, as follows:

NAMES	**Identification Number**
Andrew L. Tan	TIN 125-960-003-000
Monica T. Salomon	TIN 182-240-560-000
Lailani V. Villanueva	Unified Multi-Purpose ID CRN -0002-1985165-5

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal on the date and place above written.

Doc No. 139
Page No. 15
Book No. XV
Series of 2025

Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
(NP-230 / 2024-2025)
Until December 31, 2025
Roll No. 53953
PTR No. 5052411 / 01/02/2025 / Plaridel Bulacan
MCLE Compliance No. VII - 0007663 / 11/04/2021
IBP Lifetime No. 7203 (01-17-08)

P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Global-Estate Resorts, Inc.

December 31, 2024, 2023 and 2022
(With Corresponding Figures as of January 1, 2023)

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Global-Estate Resorts, Inc.
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global-Estate Resorts, Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Company, and its financial performance and its cash flows as at and for the year ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards), and as at December 31, 2023 and for the years ended December 31, 2023 and 2022 in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry using modified retrospective approach. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's 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 financial statements and our auditors' report thereon. The SEC Form 20-IS, 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 auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the relevant accounting frameworks as discussed in Note 2 to the financial statements, and 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 or 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 the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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 financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 30 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditor's report is Edcel U. Costales.

PUNONGBAYAN & ARAULLO

By: **Edcel U. Costales**
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10465902, January 2, 2025, Makati City
BIR AN 08-002551-045-2023 (until January 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until August 12, 2027)

March 21, 2025

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(With Corresponding Figures as of January 1, 2023)
(Amounts in Philippine Pesos)

	Notes	**December 31, 2024**	December 31, 2023 (As Restated – see Note 2)	January 1, 2023 (As Restated – see Note 2)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4	**P 1,470,493,602**	P 1,270,724,276	P 1,187,741,758
Trade and other receivables - net	5	**7,803,824,070**	5,834,091,170	5,445,005,757
Contract assets	16	**2,498,944,784**	2,726,170,570	2,275,299,997
Advances to related parties - net	21	**9,902,847,061**	10,140,647,746	10,005,508,613
Inventories	6	**5,435,764,520**	6,458,716,157	5,871,711,285
Prepayments and other current assets	7	**1,983,616,527**	1,691,941,344	1,581,516,960
Total Current Assets		**29,095,490,564**	28,122,291,263	26,366,784,370
NON-CURRENT ASSETS				
Trade and other receivables - net	5	**3,059,154,799**	3,718,056,322	2,296,186,449
Contract assets	16	**49,259,930**	676,371,699	427,392,766
Advances to joint ventures	8	**205,127,522**	206,376,557	220,137,555
Investments in subsidiaries and associates	9	**13,185,003,452**	12,649,850,357	12,565,110,232
Property and equipment - net	10	**126,282,348**	109,965,625	110,566,107
Right-of-use assets - net	11	**136,592,108**	196,840,187	214,283,000
Investment properties - net	12	**2,873,311,879**	1,683,108,456	1,725,477,435
Total Non-current Assets		**19,634,732,038**	19,240,569,203	17,559,153,544
TOTAL ASSETS		**P 48,730,222,602**	P 47,362,860,466	P 43,925,937,914

	Notes	December 31, 2024	December 31, 2023 (As Restated – see Note 2)	January 1, 2023 (As Restated – see Note 2)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans	13	**P 1,533,200,000**	P 1,133,790,603	P 1,337,254,907
Trade and other payables	14	**2,195,960,876**	1,881,169,948	1,677,443,338
Contract liabilities	16	**5,668,067**	17,161,181	79,955,476
Customers' deposits	2	**656,404,935**	159,440,587	917,956,040
Advances from related parties	21	**424,276,506**	428,163,769	317,838,628
Lease liabilities	11	**54,554,785**	59,993,919	43,931,742
Total Current Liabilities		**4,870,065,169**	3,679,720,007	4,374,380,131
NON-CURRENT LIABILITIES				
Interest-bearing loans	13	**5,537,465,285**	5,543,825,162	4,201,960,769
Contract liabilities	16	**234,767,665**	221,001,249	74,304,852
Customers' deposits	2	**16,908,341**	527,445,862	55,904,484
Retirement benefit obligation	19	**123,576,343**	86,516,665	64,885,242
Deferred tax liabilities - net	20	**2,089,851,667**	2,153,034,195	1,679,660,016
Lease liabilities	11	**427,254,086**	481,808,871	511,064,916
Other non-current liabilities	15	**381,773,827**	336,912,560	284,812,779
Total Non-current Liabilities		**8,811,597,214**	9,350,544,564	6,872,593,058
Total Liabilities		**13,681,662,383**	13,030,264,571	11,246,973,189
EQUITY				
Capital stock	22	**10,986,000,000**	10,986,000,000	10,986,000,000
Additional paid-in capital		**4,747,739,274**	4,747,739,274	4,747,739,274
Revaluation reserves		**29,136,290**	38,919,260	47,415,959
Retained earnings		**19,285,684,655**	18,559,937,361	16,897,809,492
Total Equity		**35,048,560,219**	34,332,595,895	32,678,964,725
TOTAL LIABILITIES AND EQUITY		**P 48,730,222,602**	P 47,362,860,466	P 43,925,937,914

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	December 31, 2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
REVENUES				
Real estate sales	16	**P 2,981,180,606**	P 4,311,572,229	P 3,437,640,241
Equity share in net income of subsidiaries	9	**781,945,070**	303,306,258	453,772,801
Finance income	18	**554,921,182**	176,829,211	153,241,552
Rental income	12	**239,116,689**	169,367,149	155,526,369
Management and marketing income	8, 21	**172,762,846**	167,845,818	201,959,854
Commission income	21	**8,977,990**	90,863,807	15,231,540
Others	2	**238,711,237**	112,744,953	45,662,830
		4,977,615,620	5,332,529,425	4,463,035,187
COSTS AND EXPENSES				
Cost of real estate sales	17	**1,292,373,277**	1,819,711,621	1,141,903,827
Cost of rentals	17	**42,826,332**	44,011,075	45,972,955
Other operating expenses	17	**1,114,840,132**	912,729,533	865,651,536
Finance costs and other charges	18	**490,535,421**	181,195,793	247,974,364
		2,940,575,162	2,957,648,022	2,301,502,682
PROFIT BEFORE TAX		**2,037,040,458**	2,374,881,403	2,161,532,505
TAX EXPENSE	20	**212,636,070**	588,668,748	466,311,253
NET PROFIT		**1,824,404,388**	1,786,212,655	1,695,221,252
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit plan	19	**(12,747,800)**	(8,743,142)	24,605,398
Equity share in other comprehensive income (loss) of subsidiaries	9	**(222,120)**	(1,939,343)	7,203,305
Tax income (expense)	20	**3,186,950**	2,185,786	(6,151,350)
		(9,782,970)	(8,496,699)	25,657,353
TOTAL COMPREHENSIVE INCOME		**P 1,814,621,418**	P 1,777,715,956	P 1,720,878,605
EARNINGS PER SHARE				
Basic	23	**P 0.166**	P 0.163	P 0.155
Diluted	23	**P 0.166**	P 0.162	P 0.154

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Capital Stock (See Note 22)	Additional Paid-in Capital (See Note 2)	Revaluation Reserves (See Note 19 and 20)	Retained Earnings (See Notes 2 and 22)	Total
Balance at January 1, 2024					
As previously reported	P 10,986,000,000	P 4,747,739,274	P 38,919,260	P 18,573,430,060	P 34,346,088,594
Effect of restatements	-	-	-	(13,492,699)	(13,492,699)
As restated	10,986,000,000	4,747,739,274	38,919,260	18,559,937,361	34,332,595,895
Effect of adoption of PFRS 15 and other related interpretations	-	-	-	(1,098,657,094)	(1,098,657,094)
Balance at January 1, 2024, as adjusted	10,986,000,000	4,747,739,274	38,919,260	17,461,280,267	33,233,938,801
Total comprehensive income for the year	-	-	(9,782,970)	1,824,404,388	1,814,621,418
Balance at December 31, 2024	**P 10,986,000,000**	**P 4,747,739,274**	**P 29,136,290**	**P 19,285,684,655**	**P 35,048,560,219**
Balance at January 1, 2023					
As previously reported	P 10,986,000,000	P 4,747,739,274	P 47,415,959	P 16,911,522,320	P 32,692,677,553
Effect of restatements	-	-	-	(13,712,828)	(13,712,828)
As restated	10,986,000,000	4,747,739,274	47,415,959	16,897,809,492	32,678,964,725
Cash dividends	-	-	-	(124,084,786)	(124,084,786)
Total comprehensive income for the year	-	-	(8,496,699)	1,786,212,655	1,777,715,956
Balance at December 31, 2023	P 10,986,000,000	P 4,747,739,274	P 38,919,260	P 18,559,937,361	P 34,332,595,895
Balance at January 1, 2022					
As previously reported	P 10,986,000,000	P 4,747,739,274	P 21,758,606	P 15,213,496,680	P 30,968,994,560
Effect of restatements	-	-	-	(10,908,440)	(10,908,440)
As restated	10,986,000,000	4,747,739,274	21,758,606	15,202,588,240	30,958,086,120
Total comprehensive income for the year	-	-	25,657,353	1,695,221,252	1,720,878,605
Balance at December 31, 2022	P 10,986,000,000	P 4,747,739,274	P 47,415,959	P 16,897,809,492	P 32,678,964,725

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 2,037,040,458**	P 2,374,881,403	P 2,161,532,505
Adjustments for:				
Equity share in net income of subsidiaries	9	**(781,945,070)**	(303,306,258)	(453,772,801)
Interest income	18	**(554,363,006)**	(166,669,547)	(139,839,960)
Loss on refund and sales cancellation	18	**273,990,567**	121,267,688	151,117,897
Interest expense	18	**216,544,854**	59,928,105	74,024,202
Depreciation and amortization	17	**159,159,388**	139,786,786	136,372,070
Unrealized foreign exchange gains - net	18	**(558,176)**	(10,159,664)	(13,401,592)
Gain on derecognition of payables		**-**	(36,517,259)	-
Gain on pretermination of lease	11	**-**	(489,624)	-
Impairment losses	21	**-**	-	22,832,265
Operating profit before working capital changes		**1,349,869,015**	2,178,721,630	1,938,864,586
Increase in trade and other receivables		**(826,838,522)**	(1,686,434,992)	(1,489,184,606)
Decrease (increase) in contract assets		**476,826,949**	(699,849,506)	(589,851,628)
Increase in inventories		**(478,453,583)**	(587,004,872)	(762,773,493)
Increase in prepayments and other current assets		**(390,307,547)**	(219,756,426)	(376,273,214)
Decrease (increase) in advances to joint ventures		**1,249,035**	13,760,998	(16,680,437)
Increase in trade and other payables		**2,130,006**	148,868,591	86,131,065
Increase (decrease) in contract liabilities		**(1,359,097)**	83,902,102	52,926,295
Increase (decrease) in customers' deposits		**(13,573,173)**	(286,974,075)	214,809,661
Increase (decrease) in other non-current liabilities		**44,861,267**	25,900,666	(74,567,550)
Increase in retirement benefit obligation		**18,549,868**	7,794,790	9,720,649
Cash from (used in) operations		**182,954,218**	(1,021,071,094)	(1,006,878,672)
Cash paid for income taxes		**(5,226,687)**	(3,776,740)	(4,899,686)
Net Cash From (Used in) Operating Activities		**177,727,531**	(1,024,847,834)	(1,011,778,358)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of investment properties	12	**(437,179,412)**	(1,642,096)	(10,720,792)
Collections of advances to related parties	21	**318,303,210**	96,155,436	255,827,580
Advances granted to related parties	21	**(80,502,525)**	(231,294,569)	(226,905,321)
Acquisitions of property and equipment	10	**(72,401,700)**	(43,274,458)	(27,557,123)
Dividends received	9	**66,463,043**	217,001,790	-
Interest received		**43,523,279**	42,149,252	55,611,272
Additional investments in subsidiaries	9	**-**	(375,000)	-
Proceeds from disposal of property and equipment		**-**	63,244	111,235
Net Cash From (Used in) Investing Activities		**(161,794,105)**	78,783,599	46,366,851
Balance brought forward		**P 15,933,426**	(P 946,064,235)	(P 965,411,507)

	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Balance carried forward		**P 15,933,426**	(P 946,064,235)	(P 965,411,507)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loans	13, 29	**1,500,000,000**	3,500,000,000	1,000,000,000
Repayments of interest-bearing loans	29	**(1,106,950,480)**	(2,361,599,911)	(1,137,254,904)
Interest paid		**(98,914,832)**	(32,868,758)	(43,854,009)
Repayments of lease liabilities	11,29	**(73,247,276)**	(63,298,379)	(56,978,876)
Repayments of advances from related parties	21,29	**(39,377,675)**	(57,946,718)	(308,611)
Advances obtained from related parties	21,29	**1,767,987**	158,685,641	53,298,983
Dividends paid	22	**-**	(124,084,786)	-
Net Cash From (Used in) Financing Activities		**183,277,724**	1,018,887,089	(185,097,417)
Effects of Exchange Rates Changes on Cash and Cash Equivalents		**558,176**	10,159,664	13,401,592
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**199,769,326**	82,982,518	(1,137,107,332)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,270,724,276**	1,187,741,758	2,324,849,090
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 1,470,493,602**	P 1,270,724,276	P 1,187,741,758

Supplemental Information on Non-cash Investing and Financing Activities:

1) In the normal course of business, the Company enters into non-cash transactions such as exchanges or purchases on account of real estate and other assets. Other non-cash transactions include transfers of property from Inventories or Investment Properties as the property goes through various stages of development (see Note 2). These non-cash activities are not reflected in the statements of cash flows.

2) The Company has effected the offsetting of payments amounted to P26.8 million and P26.1 million in 2024 and 2023, respectively, made directly by the sublessee of the Company to the head lessor in relation to its lease transaction (see Notes 2, 5, and 11).

3) In 2023, the Company recognized right-of-use assets and lease liabilities amounting to P39.4 million and 38.5 million, respectively. In 2022, the Company recognized right-of-use asset and lease liabilities amounting to P48.9 million and P46.0 million, respectively (see Notes 11 and 29). There were no similar transaction in 2024.

4) In 2023, one of the lease contracts of the Company was pre-terminated which resulted to a gain amounting to P0.5 million and is presented as part of Others under Revenues in the 2023 statement of comprehensive income (see Note 11). There was no similar transaction in 2024 and 2022.

5) In 2024, the Company subscribed to shares of a newly incorporated subsidiary for P0.6 million (see Note 9). The related subscription payable is presented as part of Trade and Other Payables in the 2024 statement of financial position.

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Global-Estate Resorts, Inc. (the Company or GERI) was incorporated in the Philippines on May 18, 1994. It is primarily engaged in the development of integrated tourism and leisure estates, and integrated lifestyle communities with residential, retail, hotel and/or leisure components. The Company also engages in land acquisitions and maintains an inventory of raw land for future development.

The registered office address of the Company, which is also its principal place of business, is located at 9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City.

Megaworld Corporation (Megaworld or the parent company) is the parent company of Global-Estate Resorts, Inc. Megaworld is owned by Alliance Global Group, Inc. (AGI), the Company's ultimate parent company.

Megaworld was incorporated in the Philippines primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. Megaworld is presently engaged in property-related activities such as product design, construction, and property management. Megaworld's real estate portfolio includes residential condominium units, subdivision lots and townhouses, as well as office projects and retail spaces. The registered office address of Megaworld, which is also its principal place of business, is located at the 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

AGI is a holding company with diversified investments in real estate, food and beverage, manufacturing, quick service restaurants, and tourism-entertainment, and gaming businesses. AGI's registered office address, which is also its principal place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City.

The shares of stock of the Company, Megaworld and AGI are listed at the Philippine Stock Exchange.

The Company holds interests in the following subsidiaries and associates as of December 31, 2024, 2023 and 2022 unless otherwise indicated:

Subsidiaries / Associates	Explanatory Notes	Percentage of Ownership
Subsidiaries:		
Global-Estate Properties, Inc. (GEPI)		100%
Aklan Holdings Inc. (AHI)	(a)	100%
Blue Sky Airways, Inc. (BSAI)	(a)	100%
Fil-Estate Subic Development Corp. (FESDC)	(a)	100%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)	(a)	100%
Golden Sun Airways, Inc. (GSAI)	(a)	100%
La Compaña De Sta. Barbara, Inc. (LCSBI)	(a)	100%
MCX Corporation (MCX)	(a)	100%
Pioneer L-5 Realty Corp. (PLRC)	(a)	100%
Prime Airways, Inc. (PAI)	(a)	100%
Sto. Domingo Place Development Corp. (SDPDC)	(a)	100%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a)	100%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a)	79%
Sherwood Hills Development Inc. (SHDI)	(a)	55%
Global-Estate Golf and Development, Inc. (GEGDI)		100%
Golforce, Inc. (Golforce)	(b)	100%
Southwoods Ecocentrum Corp. (SWEC)	(b)	60%
Philippine Aquatic Leisure Corp. (PALC)	(c)	60%
Fil-Estate Urban Development Corp. (FEUDC)		100%
Novo Sierra Holdings Corp. (NSHC)		100%
Elite Communities Property Services, Inc. (ECPSI)	(d)	100%
Savoy Hotel Boracay, Inc. (SHBI)	(e)	100%
Belmont Hotel Boracay, Inc. (BHBI)	(e)	100%
Chancellor Hotel Boracay, Inc. (CHBI)	(e)	100%
Megaworld Global-Estate, Inc. (MGEI)	(f)	60%
Twin Lakes Corp. (TLC)		51%
Twin Lakes Hotel, Inc. (TLHI)	(g)	51%
Oceanfront Properties, Inc. (OPI)		50%
Global Homes and Communities, Inc. (GHCI)		100%
Southwoods Mall, Inc. (SMI)		51%
Elite Club & Leisure Inc. (ECLI)	(i)	100%
Integrated Resorts Property Management Inc. (IRPMI)	(i)	100%
Associates:		
Fil-Estate Network, Inc. (FENI)		20%
Fil-Estate Sales, Inc. (FESI)		20%
Fil-Estate Realty and Sales Associates Inc. (FERSAI)		20%
Fil-Estate Realty Corp. (FERC)		20%
Nasugbu Properties, Inc. (NPI)	(h)	14%

Non-controlling interests (NCI) represent the interests not held by the Company in FEIPI, SHDI, SWEC, PALC, MGEI, TLC, TLHI, OPI and SMI.

All subsidiaries and associates were incorporated in the Philippines, operate within the country, and are engaged in businesses related to the main business of GERI.

Explanatory notes:

(a) Subsidiaries of GEPI; percentage ownership represents effective ownership of GERI.

(b) Subsidiaries of GEGDI; percentage ownership represents effective ownership of GERI.

(c) Subsidiary of SWEC.

(d) Subsidiary acquired in prior years primarily to manage and administer real estate properties.

(e) Subsidiaries engaged primarily to operate and manage resort hotels. CHBI is newly incorporated in 2024.

(f) Subsidiary acquired in prior years primarily to market the Company's projects.

(g) A subsidiary of TLC. TLHI was incorporated in 2018 to operate Twin Lakes Hotel, one of the real estate projects of TLC.

(h) Associate because GERI has a representation in the Board of Directors (BOD).

(i) ECLI maintains and manages the business and operations of clubs, resorts and leisure facilities. IRPMI manages and administers real estate properties.

(j) Newly incorporated subsidiaries in 2023, ECLI maintains and manages the business and operations of clubs, resorts and leisure facilities. IRPMI manages and administers real estate properties.

1.2 Approval of the Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022 and the corresponding figures as of January 1, 2023) were authorized for issue by the Company's BOD on March 21, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that has been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company as of and for the year ended December 31, 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to 2024, the Company's financial statements were prepared in accordance with PFRS Accounting Standards as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC) in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed and Adopted by the Company

In 2023 and prior years, the Company has availed of several financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

In 2024, the Company adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee, and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods Philippine Accounting Standards (PAS) 23, *Borrowing Costs,* using modified retrospective approach as allowed by SEC MC No. 08-2021, *Amendment to* SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 *to clarify transitory provision.*

The adoption of these standards and interpretations has resulted to adjustments to the amounts recognized in the financial statements as at January 1, 2024, with the cumulative effect recognized in equity as an adjustment to the opening balance of Retained Earnings for the current period.

Discussed below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant financial statements accounts as at January 1, 2024.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P705.6 million and Deferred Tax Liabilities – net decreased by P168.8 million.

(ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component (SFC).

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

As a result of the adoption of this interpretation Contract Assets as at January 1, 2024 decreased by P377.5 million and Contract Liabilities increased by P3.6 million.

In 2024, the Company's subsidiaries have also adopted IFRIC Agenda (PAS 23), PIC Q&A No. 2018-12D. Since GERI measures its investment in subsidiaries using the equity method, the restatement resulted in the decrease of current year beginning balances of the Investment in Subsidiaries account by P180.7 million.

The following table shows the summary of the impact of the adoption of IFRIC Agenda (PAS 23), PIC Q&A No. 2018-12D, and on the Company's retained earnings as at January 1, 2024, using modified retrospective approach.

(Amounts in PHP)	Note	As previously reported	Restatement	As restated
Total assets				
Current assets				
Contract assets	2.1b(ii)	2,726,170,570	(131,778,242)	2,594,392,328
Inventories - net	2.1b(i)	6,458,716,157	(705,554,878)	5,753,161,279
Non-current assets				
Contract assets	2.1b(ii)	676,371,699	(245,732,363)	430,639,336
Investment in subsidiaries and associates	2.1b(ii)	12,649,850,357	(180,731,808)	12,469,118,549
Total liabilities				
Current liabilities				
Contract liabilities	2.1b(ii)	(17,161,181)	(385,992)	(17,547,173)
Non-current liabilities				
Contract liabilities	2.1b(ii)	(221,001,249)	(3,246,408)	(224,247,657)
Deferred tax liabilities - net	2.1b(i)	(2,153,034,195)	168,772,596	(1,984,261,599)
Impact on net assets			(1,098,657,095)	

(c) *Presentation of Financial Statements*

The financial statements are presented in accordance with PAS 1, *Presentation of Financial Statements*. The Company presents all items of income, expenses and other comprehensive income or loss, if any, in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

The Company's financial statements have been restated to correct prior period errors associated with lease contracts that did not qualify for recognition exemption under PFRS 16, *Leases*. These errors resulted in the understatement of right of use assets - net (ROUA) by P116.2 million and P98.5 million as of December 31, 2023, and January 1, 2023, respectively. The related lease liabilities were also understated by P134.2 million and P112.2 million for the same periods. Consequently, retained earnings were overstated by P13.5 million and P13.7 million as of December 31, 2023 and January 1, 2023, respectively. The financial statements have been restated to reflect these adjustments.

The effects of restatement in the statements of financial position are summarized as follows:

(Amounts in PHP)	As Previously Reported	Adjustments	As Restated
December 31, 2023:			
Change in Non-current Assets			
Right-of-use assets - net	80,620,021	116,220,166	196,840,187
Change in Current Liabilities			
Lease liabilities	37,868,152	22,125,767	59,993,919
Change in Non-current Liabilities			
Deferred tax liabilities - net	2,157,531,761	(4,497,566)	2,153,034,195
Lease liabilities	369,724,207	112,084,664	481,808,871
		(13,492,699)	
Change in Equity			
Retained earnings	18,573,430,060	(13,492,699)	18,559,937,361
January 1, 2023:			
Change in Non-current Assets			
Right-of-use assets - net	115,784,192	98,498,808	214,283,000
Change in Current Liabilities			
Lease liabilities	34,166,129	9,765,613	43,931,742
Change in Non-current Liabilities			
Lease liabilities	408,618,893	102,446,023	511,064,916
		(13,712,828)	
Change in Equity			
Retained earnings	16,911,522,320	(13,712,828)	16,897,809,492

The effects of restatement in the statements of comprehensive income in are summarized as follows:

(Amounts in PHP)	As Previously Reported	Restatement	As Restated
2023:			
Changes in Net profit and Total Comprehensive Income			
Other operating expenses	917,237,616	(4,508,083)	912,729,533
Finance costs and other charges	172,410,273	8,785,520	181,195,793
Tax expense	593,166,314	(4,497,566)	588,668,748
		(220,129)	
Earnings per Share:			
Basic	0.163		0.163
Diluted	0.162		0.162
2022:			
Changes in Net profit and Total Comprehensive Income			
Other operating expenses	870,893,351	(5,241,815)	865,651,536
Finance costs and other charges	239,928,161	8,046,203	247,974,364
		2,804,388	
Earnings per Share:			
Basic	0.155		0.155
Diluted	0.154		0.154

The effects of restatement in the statements of cash flows in are summarized as follows:

(Amounts in PHP)	As Previously Reported	Adjustments	As Restated
2023:			
Cash flows from operating activities			
Profit before tax	2,379,158,840	(4,277,437)	2,374,881,403
Adjustments for:			
Depreciation and amortization	120,844,545	18,942,240	139,786,785
Finance Cost	51,142,585	8,785,520	59,928,105
		23,450,323	
Cash flows from financing activities			
Repayments of lease liabilities	(39,848,055)	(23,450,323)	(63,298,378)
Effect on Cash and Cash Equivalents		-	

(Amounts in PHP)	As Previously Reported	Adjustments	As Restated
2022:			
Cash flows from operating activities			
Profit before tax	2,164,336,893	(2,804,388)	2,161,532,505
Adjustments for:			
Depreciation and amortization	124,257,764	12,114,306	136,372,070
Interest expense	65,977,999	8,046,203	74,024,202
Net effect		17,356,121	
Cash flows from financing activities			
Repayments of lease liabilities	39,622,755	17,356,121	56,978,876
Effect on cash and cash equivalents		-	

(d) *Functional and Presentation Currency*

The financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 *Adoption of Amended PFRS Accounting Standards*

(a) *Effective in 2024 that are Relevant to the Company*

The Company adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below and on the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether liability should be classified as either current or non-current. The amendments 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 that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Company's financial statements.

(b) Effective Subsequent to 2024 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PAS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures.

The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iv) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027). The new standard reduces the disclosure requirements prescribed by other standards for subsidiaries without public accountability. It changes disclosure requirements prescribed by other standards as the reporting entity will instead refer to PFRS 19 for required disclosures.

(v) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely).

2.3 Separate Financial Statements, Investments in Subsidiaries and Associates and Interests in Joint Operations

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements, being a publicly listed entity.

The Company accounts for its investments in subsidiaries and associates using the equity method. Under the equity method, investments are initially recognized at cost.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

The Company's financial assets include financial assets at amortized cost which are presented in the statements of financial position as Cash and Cash Equivalents, Trade and Other Receivables [except for Value-added tax (VAT) on contracts with customers, Advances to raw landowners and Advances to officers and employees], Advances to Joint Ventures, Advances to Related Parties, and Refundable deposits (as part of Other Non-current Assets account).

Impairment of Financial Assets

The Company applies the simplified approach in measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade and other receivables, contract assets with significant financing component, and other financial assets carried at amortized cost. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 25.2(b)].

The Company applies a general approach specifically, in relation to advances to related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk.

In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Company cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of advances to related parties can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

For other financial assets at amortized cost, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments.

It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

(b) Financial Liabilities

Financial liabilities, which include Interest-bearing Loans, Trade and Other Payables (except tax-related liabilities), Advances from Related Parties, Lease Liabilities and Retention payable (presented under Other Non-current Liabilities account).

2.5 Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the corresponding contract balances to be derecognized and the cost of the repossessed property is recognized in the statement of comprehensive income.

2.6 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization for property and equipment and any impairment losses.

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

Office improvements	10 years
Transportation equipment	5 years
Office furniture and equipment	3-5 years

The measurement for right-of-use assets is disclosed in Note 2.9(a).

2.7 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets ranging from 7 to 50 years.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, leasing activities, management and marketing income, interest income and dividends. The Company's leasing activities are accounted for under PFRS 16 (see Note 2.9).

The Company develops real properties such as developed land, house and lot, and condominium units. The Company often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Company's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

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(a) *Real Estate Sales on Pre-Completed Real Estate Properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Company measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales in the statement of comprehensive income.

(b) *Real Estate Sales on Completed Real Estate Properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Real Estate Sales in the statement of comprehensive income. For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Company.

(c) *Rendering of Services* – Revenues are recognized over time (i.e., time-and-materials basis as the services are provided or based on the actual work done) until the performance of contractually agreed tasks has been substantially rendered. Any amounts remaining unbilled at the end of the reporting period are presented in the statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due. Revenue from rendering of services include property management, commission and marketing income.

(d) *Other Income* – Other income includes revenues from penalties collected from late payments and forfeited collections and deposits. There are recognized at a point in time in the year the receivables become due and/or contract was cancelled. Such income is presented under Others in the statement of comprehensive income. The related balance of this amount is P238.7 million, P112.7 million and P45.7 million, respectively for December 31, 2024, 2023 and 2022.

Incremental costs of obtaining a contract to sell real property to customers are recognized as part of Prepayments and Other Current Assets and is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

Costs and expenses (other than the costs of real estate sold) are recognized in profit or loss upon utilization of the services or goods or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset.

Cost of real estate sales include the acquisition of cost of the land, development costs incurred to date and estimated costs to complete the project, determined based on estimates made by the project engineers.

In determining the transaction price of real estate sales, the Company adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Finance Costs and Other Charges in the statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Finance Income in the statement of comprehensive income.

The Company applies the practical expedient under PFRS 15 where the promised amount of consideration is no longer adjusted for the effects of significant financing component when the Company expects, at contract inception, that the period between when the Company transfers the promised good or service to a customer and when the customer pays for such good or service will be on year or less. The significant judgement used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(d).

Under its contracts with customers, the Company will receive an unconditional rights to the payment for total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Company as it develops the property are presented as Contract Assets in the statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Company assesses impairment of its financial assets [see Note 2.4(a)].

Any consideration received by the Company in excess of the amount for which the Company is entitled is presented as Contract Liabilities in the statement of financial position. A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the liabilities section of the statement of financial position.

2.9 Leases

The Company accounts for its leases as follows:

(a) *Company as a Lessee*

The Company amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The average lease term of the Company's contracts is eight years.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) *Company as a Lessor*

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

2.10 Impairment of Non-financial Assets

The Company's investments in subsidiaries and associates, property and equipment, investment property, right-of-use assets and other non-financial assets are subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.11 Employee Benefits

The Company provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits. The Company's defined benefit post-employment plan covers all regular full-time employees. The defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method.

2.12 Share-based Employee Remuneration

The Company grants share options to key executive officers eligible under a stock option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions), if any. The share-based remuneration is recognized as an expense in profit or loss with a corresponding credit to retained earnings.

The expense is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number that ultimately vests on vesting date. No subsequent adjustment is made to expense after vesting date, even if share options are ultimately not exercised.

Upon exercise of share option, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to capital stock with any excess being recorded as additional paid-in capital.

2.13 Basic and Diluted Earnings per Share

Basic earnings per share (EPS) is computed by dividing net profit by the weighted average number of common shares issued and outstanding during the period, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the period.

Diluted EPS is computed by adjusting the weighted average number of common shares outstanding to assume conversion of potentially dilutive shares. Currently, the Company's potentially dilutive shares consist only of share options (see Note 23).

2.14 Borrowing Costs

Borrowing costs, which consists of interest and other costs that the Company incurs in connection with borrowing of funds, are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Prior to January 1, 2024, borrowing costs are capitalized as part of inventories that are actively being prepared for their intended use or sale. However, starting January 1, 2024, these inventories are no longer considered as qualifying assets, and any related borrowing costs will be expensed as incurred [see Notes 2.1(b)(i) and 6].

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the judgments discussed below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised, or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

The Company determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Company considers whether the lessor can refuse to agree to a request from the Company to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

(b) Evaluation of the Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Company exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time.

In making this judgment, the Company considers the following:

- any asset created or enhanced as the Company performs,
- the ability of the customer to control such asset as it is being created or enhanced,
- the timing of receipt and consumption of benefits by the customer; and,
- the Company's enforceable right for payment for performance completed to date.

The Company determines that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Company has rights over payment for development completed to date as the Company can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. Performance obligation for sale of completed real estate properties is satisfied at a point in time.

(ii) Management and Marketing Income

The Company determined that revenues from marketing and management services shall be recognized over time as the customers simultaneously receive and consume the benefits of the Company's rendering of services as it performs. The Company provides the services without the need of reperformance of other companies and it has an enforceable right to payment for performance completed to date.

(c) Determining Existence of a Contract with Customer

The Company uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition.

In a sale of real estate properties, the Company's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is either at the pre-selling stage or completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Company assesses the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(e)].

Collectability is also assessed by considering factors such as past history with the customer 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.

(d) Determination of the Existence of the Significant Financing Component in the Contract

The Company enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Company's fulfilment of its performance obligations. The Company exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Company or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) Estimation of Collection Threshold for Revenue Recognition

The Company uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition. The Company uses historical payment pattern of customers in establishing a percentage of collection threshold over which the Company determines that collection of total contract price is reasonably assured.

(f) Determination of ECL on Trade and Other Receivables, Advances to Related Parties and Contract Assets

The Company uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables are disclosed in Note 25.2(b).

With respect to Advances to Related Parties and other related party receivables, the Company uses the liquidity approach as the receivables are collectible on demand.

Based on the relevant facts and circumstances existing at the reporting date, management has assessed that all strategies indicate that the Company can fully recover the outstanding balance of its receivables.

(g) Distinction Between Investment Property and Owner-managed Properties

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the operations of the Company or for administrative purposes.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Company accounts for the portions separately.

If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

(h) Distinction Between Inventories and Investment Properties

Residential and condominium units comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Company considers management's intention over these assets in making its judgment.

(i) Evaluation of Change in Use for Transfers to, or from, Investment Properties

The transfers to, or from, investment properties are made when and only when there is a change in use for such property. A mere change in management's intention does not provide sufficient evidence of such a change. Therefore, management exercises judgment in assessing whether the definition of investment property is met by evaluating all relevant facts and circumstances to determine if there is substantive evidence supporting a change in use.

(j) Determination of Significant Influence over Entities in which the Company Holds Less than 20% Ownership

The Company determines whether significant influence exists over an investee company over which the Company holds less than 20% of the investee's capital stock. The Company considers the ability to influence the operating and financial policies of the investee, representation on the board of directors of the investee and routine participation in management decisions in making its judgment.

Based on management's judgment, the Company considers that it has significant influence over investees when it has board representation which allows them to participate in the financial and operating policy decisions but has no control or joint control of those policies (see Note 1.1).

(k) Investment in Subsidiaries in which the Company Holds 50% or Less

Management considers that the Company has de facto control over OPI even though it does not hold more than 50% of the ordinary shares and voting rights of the said subsidiaries, due to the factors discussed below.

The Company holds 50% equity interest over OPI and has: (1) the ability to direct the relevant activities of the subsidiaries; (2) the rights to variable returns from its involvement with subsidiaries; and (3) the ability to use its power to affect its returns from its involvement with subsidiaries. Based on management's judgment, the Company has control over OPI.

(l) Cash and Cash Equivalents Managed by Another Party

Portion of the Company's cash and cash equivalents is being managed by a related party [see Note 21.7(d)]. The funds may only be disbursed pursuant to the Company's instructions and the related party is not entitled to the fund's interest or other income. As the Company has control over the funds and is directly entitled to the fund's benefits, management determined that the said funds appropriately form part of the Company's cash and cash equivalents.

(m) Distinction Between Operating and Finance Leases

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management, assessment, the Company's lease agreements are classified as operating lease.

(n) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures on provisions and contingencies are presented in Note 24.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using the effective interest rate on the most recent loan. Since the date of the availment is near the initial date of application, management is satisfied that the selected rate reflects the risks specific to the Company.

(b) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Company estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(c) Determination of Appropriate Discount Rate in Measuring Significant Financing Component

In the sale of real estate properties, the transaction price is recognized at the present value of the instalment payments discounted to the date the entity expects to satisfy its performance obligation.

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity.

Specifically, for contracts classified as 'seller financing,' the Company bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction. For contracts classified as 'buyer financing,' the Company estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Company is considered the borrower.

(d) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 25.2.

(e) Determination of the Amount of Costs Incurred to Obtain or Fulfil a Contract with a Customer

In determining the amount of costs to obtain a contract that should be capitalized, the Company identifies those costs which would not have been incurred if the contract had not been obtained.

For the costs incurred in fulfilling a contract, the Company recognizes an asset only if those costs related directly to a contract or to an anticipated contract can be specifically identified; those costs generate or enhance the Company's resources that will be used in satisfying performance obligation in the future; and the Company expects those costs to be recovered.

(f) Determination of Net Realizable Value of Inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of these assets is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation and uncertainty and may cause significant adjustments to the Company's inventories within the next reporting period.

Considering the Company's pricing policy, the net realizable values inventories are higher than their related carrying values as of the end of the reporting periods.

(g) Fair Value of Stock Options

The Company estimates the fair value of the executive stock option by applying an option valuation model, taking into account the terms and conditions on which the executive stock options were granted.

The estimates and assumptions used are presented in Note 22.3, which include, among other factors, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price and fair value of the Company's common shares. Changes in these factors can affect the fair value of stock options at grant date.

(h) Estimation of Useful Lives of Property and Equipment, Right-of-use Assets and Investment Property

The Company estimates the useful lives of property and equipment, right-of-use assets and investment property based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, right-of-use assets, investment property and right-of-use-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 assets.

The carrying amounts of property and equipment, right-of-use assets and investment property are analyzed in Notes 10, 11 and 12, respectively. Based on management's assessment as of December 31, 2024 and 2023, there are no changes in the estimated useful lives of those assets as of the end of the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(i) Fair Value Measurement of Investment Property

Investment property is measured using the cost model. The Company determines the fair values of building and building improvements using the discounted cash flows valuation technique since the information on current or recent prices of assumptions underlying the discounted cash flow approach of investment property is not available. The Company uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates.

These valuations are regularly compared to actual market yield data and actual transactions by the Company and those reported by the market. The expected future market rentals are determined based on current market rentals for similar properties in the same location and condition.

For land and land development and improvements, the Company determines fair value through appraisals by independent valuation specialists using a market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 12 and 27.3.

(j) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized within the prescribed period of availment. The carrying value of deferred tax assets as of those dates is disclosed in Note 20.

(k) Impairment of Non-financial Assets

Impairment review is required to be performed when certain impairment indicators are present. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment losses were recognized on property and equipment, right-of-use assets, investment property and other non-financial assets for the years ended December 31, 2024, 2023 and 2022 (see Notes 10, 11 and 12).

(l) Valuation of Post-employment Defined Benefit Obligation

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the retirement benefit obligation in the next reporting period.

The amounts of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 19.2.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

(Amounts in PHP)	Note	**2024**	2023
Cash on hand and in banks	21.7(d)	**1,369,804,713**	1,020,724,276
Short-term placements		**100,688,889**	250,000,000
		1,470,493,602	1,270,724,276

Cash in banks generally earns interest at rates based on daily bank deposit rates. Short-term placements are made between fourteen to sixty days at prevailing market interest rates and earn effective interest ranging from 5% to 5.85% in 2024, 5.35% to 5.85% in 2023, and 0.25% to 5.25% in 2022.

Interest income earned from cash in banks and short-term placements amounting to P26.1 million, P18.9 million, and P24.5 million in 2024, 2023, and 2022, respectively, is included as part of Finance Income account in the statements of comprehensive income (see Note 18.1).

5. TRADE AND OTHER RECEIVABLES

This account is composed of the following as of December 31:

(Amounts in PHP)	Notes	**2024**	2023
Current:			
Installment contracts receivable		**5,655,955,115**	3,896,642,483
Unearned interest		**(61,643,124)**	(28,626,800)
VAT on contracts with customers		**946,279,179**	833,838,726
Marketing and management fee receivable	21.3	**497,705,288**	520,656,785
Rental receivables	21.2(a)	**380,511,495**	273,996,454
Advances to officers and employees	21.4	**156,840,456**	136,012,261
Finance lease receivable	24.1	**2,873,035**	2,017,326
Interest receivable	21.4	**59,516,770**	52,072,280
Advances to landowners		**19,663,724**	19,659,398
Others		**146,122,132**	127,822,257
		7,803,824,070	5,834,091,170

(Amount in PHP)	Notes	**2024**	2023
Non-current:			
Installment contracts receivable		**2,412,906,156**	3,219,193,693
Unearned interest		**(204,944,340)**	(504,917,703)
Finance lease receivable	24.1	**312,241,483**	315,114,518
VAT on contracts with customers		**404,734,255**	554,448,569
Loan receivables	21.7(c)	**134,217,245**	134,217,245
		3,059,154,799	3,718,056,322

Installment contracts receivables represent receivables from sale of real estate and resort shares for sale and normally collectible monthly within one to five years. The titles to the assets sold remain with the Company until such receivables are fully collected.

Installment contracts receivables are noninterest-bearing and are measured at amortized cost using the effective interest method based on the interest rate of comparable financial instruments in the market. Interest income from amortization amounted to P490.5 million and P100.6 million for the years ended December 31, 2024 and 2023, respectively, and is presented as part of Finance Income in the statements of comprehensive income (see Note 18.1).

Meanwhile, the related day-one loss on the discounting of the non-current portion of installment contracts receivables amounting to P400.4 million for the year ended December 31, 2023 (nil in 2024), is presented as a deduction against the Real Estate Sales account in the statements of comprehensive income.

VAT on contracts with customers represents the VAT component of the contract price of real estate sales to the extent recognized either as installment contract receivables or contract assets.

Advances to officers and employees are noninterest-bearing, unsecured and collectible through salary deduction or liquidation.

Advances to landowners represent advances to several real estate property owners and charges in connection with various project agreements entered by the Company.

Finance lease receivables pertain to the sublease of development rights to a third party. Interest income on the finance lease amounted to P24.8 million and P34.4 million in 2024 and 2023, respectively, and is presented as part of Finance Income in the statements of comprehensive income (see Note 18.1). The Company has effected the offsetting of payments made directly by the Company's sublessee to the head lessor in relation to its finance lease transaction (see Note 13).

Others include receivable from buyers for the advanced payments made by the Company on behalf of the buyers in relation to the processing of transfer documents and real property taxes.

All of the Company's trade and other receivables (except for VAT on contracts with customers, Advances to landowners and Advances to officers and employees) have been reviewed for impairment. Management considers that all of its trade and other receivables are fully recoverable; hence, no impairment losses were recognized in 2024 and 2023. This assessment is undertaken each financial year using simplified approach in measuring ECL as fully disclosed in Note 25.2(b).

6. INVENTORIES

Inventories at the end of 2024, 2023 and 2022 were stated at cost. The composition of this account as of December 31 is shown below.

(Amounts in PHP)	**2024**	2023
Real estate for sale	**3,055,900,184**	3,736,718,668
Raw land inventory	**1,382,681,425**	1,382,681,425
Property development cost	**955,556,166**	1,297,689,319
Resorts shares for sale	**41,626,745**	41,626,745
	5,435,764,520	6,458,716,157

Real estate for sale pertains to accumulated costs incurred in developing the Company's horizontal and condominium projects and certain integrated-tourism projects in Boracay, and residential subdivision lots in Iloilo, Philippines.

In 2024, the Company reclassified projects from property development costs and real estate for sale amounting to P795.8 million to Investment Property (see Note 12). There was no similar transaction in 2023.

Raw land inventory pertains to acquisition costs of raw land intended for future development of real estate for sales, including other costs and expenses incurred to affect the transfer of title of the property to the Company.

Property development costs include on-going costs incurred by the Company for its own projects. In addition, this account also includes the costs incurred by the Company for the joint development of various projects that are treated as joint operations; there were no separate entities created by these joint venture agreements. The joint operations are undertaken under project agreements with different partner operators. The costs relating to these joint projects represent the number of investments placed by the Company as original investor/developer or the amount assigned/transferred to the Company by associates or by related parties who were the original investors/ developers in the project agreement.

Resort shares for sale comprise of proprietary or membership shares (landowner shares and founders shares) in Fairways & Bluewater in Boracay, Philippines that are of various types and costs. The cost of the landowner shares is based on the acquisition and development costs of the land and the project. The cost of the founder's shares is based on the par value of the resort shares, which is P100.

Prior to the adoption of the IFRIC Agenda on PAS 23, borrowing costs capitalized in 2023 as part of the inventories amounted to P705.6 million (nil in 2024), which represent the interest costs incurred on the general and specific borrowing costs obtained specifically to finance the construction of certain projects (see Note 13).

None of the Company's inventories are used as collateral for its interest-bearing loans and borrowings.

Management assessed that the net realizable values of inventories are higher than their related costs. Hence, no impairment losses are required to be recognized in 2024, 2023 and 2022.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

The composition of this account is shown below.

(Amounts in PHP)	**2024**	2023
Advances to contractors and suppliers	**902,609,084**	945,998,373
Deferred commission	**662,053,318**	441,863,860
CWT receivable	**128,846,724**	-
Creditable withholding tax	**65,128,928**	75,694,286
Refundable deposits	**72,913,412**	69,298,728
Prepayments	**65,369,466**	59,638,646
Deferred input VAT	**60,977,154**	62,254,502
Input tax	**25,718,441**	37,192,949
	1,983,616,527	1,691,941,344

Advances to contractors and suppliers pertain to down payments for services to be rendered and goods to be delivered to the Company for the development of real estate projects for sale.

Deferred commission represents incremental costs of obtaining a contract to sell real estate properties to customers. This is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

8. ADVANCES TO JOINT VENTURES

This account pertains to payments made by the Company for different costs and expenses related to its certain projects which should have been shouldered by its joint venturers. The terms of the agreement provide that the Company shall undertake the development and subdivision of the properties. The agreements further stipulate that the Company and the joint venturers shall share in the project's income and expenses using certain pre-agreed sharing ratios. Collections of the receivable from the joint venturers are generally received upon sale of their share in the projects.

The carrying amount of these advances are P205.1 million, P206.4 million and P220.1 million as of December 31, 2024, 2023 and 2022, respectively.

The joint venturers related to the certain projects were charged marketing fees in 2024, 2023 and 2022 amounting to P98.9 million, P99.1 million, and P140.6 million, respectively, which is included as part of the Management and Marketing Income account in the statements of comprehensive income.

The net commitment for construction expenditures of the Company amounted to:

(Amounts in PHP)	**2024**	2023
Total commitment for construction expenditures	**3,603,890,061**	2,789,420,002
Total expenditures incurred	**(2,578,437,681)**	(2,255,100,650)
Net commitment	**1,025,452,380**	534,319,352

The Company's interests on these jointly controlled projects range from 28.75% to 85.00% in 2024 and 28.75% to 94.18% in 2023.

As at December 31, 2024 and 2023, the Company has no other contingent liabilities with regard to these joint ventures and has assessed that the probability of loss that may arise from contingent liabilities is remote.

The advances have been analyzed for ECL. Based on management's evaluation, no impairment loss needs to be recognized in 2024, 2023 and 2022.

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The components of the investments in subsidiaries and associates accounted for under the equity method as of December 31 is as follows:

(Amounts in PHP)	**2024**	2023	2022
TLC	**4,293,547,570**	4,262,916,548	4,101,942,302
GEPI	**4,150,241,832**	4,052,534,887	3,880,403,726
GEGDI	**2,400,537,834**	2,141,897,411	2,207,115,901
SMI	**1,164,897,966**	1,156,244,126	1,273,526,827
SWEC	**608,858,855**	428,699,739	451,242,181
OPI	**404,086,591**	406,434,020	391,527,695
FEUDC	**63,864,078**	111,652,951	177,299,805
MGEI	**82,911,462**	57,703,100	52,584,112
GHCI	**7,351,820**	11,081,229	14,724,633
ECPSI	**4,986,274**	20,311,346	14,743,050
IRPMI	**3,094,175**	187,500	-
CHBI	**624,995**	-	-
ECLI	-	187,500	-
	13,185,003,452	12,649,850,357	12,565,110,232

The Company recognized its share in net income of subsidiaries amounting to P781.9 million, P303.3 million, P453.8 million in 2024, 2023 and 2022, respectively, which are presented as Equity Share in Net Income of Subsidiaries under the Revenues section of the statements of comprehensive income. The Company also recognized its share in other comprehensive losses amounting to P0.2 million and P1.9 million in 2024 and 2023, respectively, and its share in other comprehensive income amounting to P7.2 million in 2022, respectively.

A reconciliation of the carrying amounts of investments in subsidiaries at the beginning and end of 2024, 2023 and 2022 is presented below.

(Amounts in PHP)	**2024**	2023	2022
Balance at beginning of year	**12,649,850,357**	12,565,110,232	12,104,134,126
Effect of restatement due to adoption of PFRS 15 and other related interpretations [see Note 2.1(b)]	**(180,731,807)**	-	-
Equity in net income	**781,945,070**	303,306,258	453,772,801
Dividends received	**(66,463,043)**	(217,001,790)	-
Equity in other comprehensive income (losses) – net	**(222,120)**	(1,939,343)	7,203,305
Additions	**624,995**	375,000	-
Balance at end of year	**13,185,003,452**	12,649,850,357	12,565,110,232

A reconciliation of the costs of investments and cumulative share in net income (losses) of the subsidiaries as of December 31, 2024, 2023 and 2022 are shown below.

(Amounts in PHP)	**2024**	2023	2022
Cost			
Balance at beginning of year	**4,207,945,972**	4,424,572,762	4,424,572,762
Additions	**624,995**	375,000	-
Dividends received	**(66,463,043)**	(217,001,790)	-
Balance at end of year	**4,142,107,924**	4,207,945,972	4,424,572,762
Cumulative share in net income (losses)			
Balance at beginning of year	**8,441,904,385**	8,140,537,470	7,679,561,364
Effect of restatement - see Note 2.1(b)	**(180,731,807)**	-	-
Equity in net income for the year	**781,945,070**	303,306,258	453,772,801
Equity in other comprehensive income (loss) for the year – net	**(222,120)**	(1,939,343)	7,203,305
Balance at end of year	**9,042,895,528**	8,441,904,385	8,140,537,470
Carrying amount at end of year	**13,185,003,452**	12,649,850,357	12,565,110,232

The total amount of the assets, liabilities, expenses, and net loss (income) of these subsidiaries are reported as follows:

(Amounts in PHP)	**Current Assets**	**Non-current Assets**	**Current Liabilities**	**Non-current Liabilities**	**Revenues**	**Net Income (Loss)**
2024						
GEPI	11,986,504,627	4,026,828,836	11,025,468,932	802,294,818	1,000,201,043	386,304,878
AHC	183,682,102	-	1,658,066	-	-	101,200
BSAI	-	-	18,193,184	-	-	-
FESDC	14,016,648	-	24,196,474	-	-	-
FPCELC	7,972,906	2,094,000	114,458,481	-	-	(500)
GSAI	-	-	12,248,528	-	-	(101,560)
LCSBI	154,309,201	1,370,701	62,088,017	-	48,077	(401,167)
MCX	200,069,819	4,400,000	60,720	-	-	(332,872)
PL5	425,100	-	7,613,233	-	-	(1,732,589)
PAI	1,137,109,707	-	1,142,452,883	-	-	(185,106)
SDPDC	376,411,336	-	461,269,456	10,443,419	388	(2,900,673)
FPCBC	-	-	22,671,645	-	-	(101,200)
FEIP	4,771,248	-	21,920,919	-	-	(1,585)
SHDI	408,337,925	55,538,727	380,899,670	-	-	(1,813,817)
GEGDI	2,495,063,976	435,090,370	560,352,526	570,413,599	109,067,244	89,684,950
GFI	293,294,590	48,671,691	148,367,097	6,436,225	329,149,547	25,882,702
SWEC	1,133,125,437	362,032,732	225,695,527	254,697,884	416,371,465	210,235,483
PALC	-	-	5,335,649	-	-	(101,700)
FEUDC	295,736,592	353,708,813	575,626,360	9,954,967	49,450,525	(45,750,912)
NSHC	5,367,600	-	33,107,805	-	-	(67,378)
ECPSI	81,617,324	454,617	13,122,121	63,963,546	21,483,590	993,220
SHBI	268,882,419	18,979,988	396,300,726	1,493,656	345,161,506	(3,297,386)
BHBI	483,923,897	3,548,008	570,856,068	571,571,645	290,737,972	(334,396)
CHBI	625,000	-	3,891,093	-	-	(3,891,093)
MGEI	263,954,568	2,887,362	125,990,395	2,665,764	137,571,844	41,095,262
TLC	7,089,951,929	5,699,242,304	1,611,895,319	2,840,808,609	1,629,441,797	370,950,171
TLH	141,511,037	14,860,231	80,711,667	2,429,181	302,743,018	57,468,006
OPI	1,088,982,315	584,419,333	674,285,123	190,896,957	346,477,942	151,996,909
GHCI	1,426,326	128,892,912	122,967,418	-	180	(3,303,027)
SMI	509,008,792	2,539,347,206	598,829,127	165,413,213	385,718,952	16,657,679
IRPMI	36,727,269	2,464,418	19,592,807	16,504,705	56,875,645	5,680,191
ECLI	7,349,780	2,865,219	33,063,041	-	9,927,503	(7,949,463)

(Amounts in PHP)	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Income (Loss)
2023						
GEPI	11,932,779,840	4,286,179,115	11,550,940,455	12,186,069,847	616,543,786	127,317,179
AHC	183,682,102	-	1,556,866	-	-	(94,768)
BSAI	-	-	18,090,474	-	-	(276,270)
FESDC	14,016,648	-	24,095,274	-	-	(98,250)
FPCELC	7,972,906	2,094,000	114,458,481	-	-	(343,394)
GSAI	-	-	12,146,968	-	-	(274,875)
LCSBI	154,825,523	1,327,241	62,159,712	-	169	(1,490,462)
MCX	200,434,471	4,400,000	92,500	-	-	(94,155)
PL5	425,100	-	5,880,644	-	-	(93,802)
PAI	1,137,109,707	-	1,142,267,777	-	-	(176,314)
SDPDC	376,489,501	-	458,446,948	10,443,419	-	(2,557,022)
FPCBC	-	-	22,671,645	-	-	(109,153)
FEIP	4,771,248	-	21,920,919	-	-	-
SHDI	381,113,778	55,349,495	351,048,669	-	-	(1,307,468)
GEGDI	2,402,389,280	455,065,793	617,628,668	130,401,352	135,682,327	89,544,588
GFI	257,844,961	39,166,128	137,257,692	-	267,534,088	10,483,253
SWEC	972,742,441	414,235,866	186,117,317	218,584,477	137,269,827	39,365,322
FEUDC	461,811,918	191,056,403	533,777,363	8,518,561	17,851,268	(65,646,855)
NSHC	5,382,761	-	33,055,588	-	-	(125,956)
ECPSI	76,821,965	1,247,847	8,356,154	64,145,361	27,424,118	7,528,578
SHBI	218,760,333	12,871,038	337,762,378	1,316,517	156,239,846	(7,042,501)
BHBI	303,929,823	2,593,503	396,654,712	1,214,349	132,271,365	(5,293,796)
MGEI	203,553,809	3,640,194	106,981,558	1,145,575	124,554,757	9,060,463
TLC	6,389,344,755	6,233,014,505	1,301,624,545	3,062,873,933	1,176,718,608	245,310,648
TLH	166,260,911	11,991,877	120,860,682	1,754,962	280,788,078	51,714,375
OPI	878,065,727	723,786,379	638,525,061	187,150,773	490,278,493	129,812,650
GHCI	1,193,628	128,892,914	119,431,695	-	-	(3,839,045)
SMI	514,631,990	2,667,913,782	673,359,322	241,730,470	370,649,864	89,840,129
IRPMI	13,252,495	4,537,558	2,650,570	17,476,658	20,462,641	(2,524,675)
ECLI	7,488,978	2,372,953	24,759,634	-	5,406,375	(10,907,654)
2022						
GEPI	11,771,841,688	3,993,539,180	11,298,766,879	562,563,912	P 639,248,698	133,883,451
AHC	183,682,102	-	1,462,098	-	-	(313,751)
BSAI	-	-	17,814,204	-	-	(93,098)
FESDC	14,016,648	-	23,997,024	-	-	(84,450)
FPCELC	8,194,860	2,094,000	114,457,041	-	-	(120,000)
GSAI	-	-	11,872,093.12	-	-	(92,828)
LCSBI	155,242,629	247,414	60,006,529	-	20,145,531	(19,558,348)
MCX	200,523,376	4,400,000	87,250	-	-	(87,163)
PL5	425,100	-	5,786,842	-	-	(87,264)
PAI	1,137,109,707	-	1,142,091,463	-	-	(157,942)
SDPDC	376,489,501	-	453,954,054	10,340,653	-	2,649,540
FPCBC	-	-	22,562,492	-	-	(85,214)
FEIP	4,771,248	108,000	21,920,919	-	-	-
SHDI	379,189,009	55,303,206	345,895,607	-	-	(41,836)
GEGDI	2,363,392,834	397,516,727	605,081,341	138,771,941	74,314,112	(316,213,017)
GFI	249,583,830	288,889,235	139,619,894	-	194,623,285	(8,104,523)
SWEC	1,144,880,261	385,774,225	286,727,806	441,473,577	581,472,185	(325,739,982)
FEUDC	489,350,272	171,623,971	478,435,472	6,321,288	-	58,729,709
NSHC	5,382,761	-	32,930,132	-	-	102,982
ECPSI	101,159,412	2,800,290	11,605,037	85,524,107	36,866,110	(13,346,286)
SHBI	156,942,837	10,991,901	267,438,315	901,445	84,046,519	3,167,609
BHBI	181,111,941	4,030,895	265,072,075	757,711	91,351,548	747,294
MGEI	177,011,104	1,277,036	89,446,735	684,720	119,952,317	(7,388,154)
TLC	5,589,904,829	5,905,702,011	1,030,603,110	2,452,453,596	1,013,251,779	(182,360,336)
TLH	144,354,318	10,115,021	135,911,190	1,274,711	215,749,163	(61,460,927)
OPI	800,145,973	620,655,135	543,763,950	130,673,536	402,557,151	(84,439,544)
GHCI	1,830,344	128,892,913	116,371,906	-	-	3,794,466
SMI	703,918,596	2,770,544,542	700,805,375	276,895,823	-	(28,493,135)

A reconciliation of the summarized financial information to the carrying amount of the investments in subsidiaries as of December 31, 2024 and 2023 are shown in the succeeding page.

(Amounts in PHP)	Explanatory Note	**Net Asset Value**	**Ownership in Net Asset**	**Carrying Value**
2024				
TLC		8,418,720,725	4,293,547,570	4,293,547,570
GEPI		4,455,909,653	4,422,166,138	4,150,241,832
SMI		2,284,113,658	1,164,897,966	1,164,897,966
GEGDI		3,556,332,815	2,543,702,317	2,400,537,834
SWEC		1,014,764,758	608,858,855	608,858,855
OPI		808,219,568	404,109,784	404,086,591
FEUDC		63,864,078	63,864,078	63,864,078
SHBI	*(a)*	(109,931,975)	(109,931,975)	-
MGEI		138,185,771	82,911,463	82,911,462
BHBI	*(a)*	(84,099,740)	(84,099,740)	-
NSHC	*(a)*	(27,740,205)	(27,740,205)	-
GHCI		7,351,820	7,351,820	7,351,820
ECPSI		4,986,274	4,986,274	4,986,274
IRPMI	*(b)*	3,094,175	3,094,175	3,094,175
CHBI	*(e)*	625,000	625,000	625,000
ECLI	*(a)*	(22,848,042)	(22,848,042)	-
		20,511,548,333	**13,355,495,478**	**13,185,003,457**
2023				
TLC		8,257,860,782	4,243,696,412	4,243,696,412
GEPI		4,032,889,108	4,052,534,888	3,977,822,452
SMI		2,267,455,980	1,156,402,550	1,156,402,550
GEGDI		2,109,425,053	2,141,897,411	2,109,425,053
SWEC		982,276,513	589,365,908	589,365,908
OPI		776,176,272	388,088,136	388,088,136
FEUDC		110,572,397	176,240,851	110,572,397
SHBI	*(a)*	(107,447,524)	(107,447,524)	-
MGEI		97,090,510	58,254,306	58,254,306
BHBI	*(a)*	(85,345,735)	(85,345,735)	-
NSHC	*(a)*	(27,672,827)	(27,672,827)	-
GHCI		10,654,847	10,654,847	10,654,847
ECPSI		5,568,297	5,568,297	5,568,296
IRPMI	*(a)*	(2,337,175)	(2,337,175)	-
ECLI	*(a)*	(14,897,703)	(14,897,703)	-
		18,412,268,795	12,585,002,642	12,649,850,357

(a) Cumulative share in net losses in these subsidiaries exceeded the investments in the said entities as of December 31, 2024 and 2023. As such, recognition of losses is only up to the extent of the investment.

(b) As of December 31, 2024, IRPMI was able to recover from the losses recognized in prior years. As such, the amount of share in net income in 2024 is only the excess of the accumulated share of losses that has previously not been recognized.

The place of incorporation of the Company's subsidiaries and associates are summarized below.

(a) TLC, SMI, GEGDI, SWEC, FEUDC, GHCI, GEPI, MGEI, NSHC, FESI– Renaissance Towers, Meralco Avenue, Pasig City;
(b) OPI – F&M Lopez II Building, 109 C. Palanca St., Legaspi Village, Makati City;
(c) FERC, FENI, FERSAI – Paragon Plaza, Reliance St., Mandaluyong City;
(d) ECPSI – 7th Floor, Paseo Center Building, 8757 Paseo de Roxas St., Makati City;
(e) SHBI, BHBI, CHBI – Brgy. Yapak, Boracay Island, Malay, Aklan 5608;
(f) IRPMI- Southwoods Mall and Office Towers Southwoods Avenue Southwoods City San Francisco (Halang) City of Biñan, Laguna; and,
(g) ECLI – 16th Floor, Alliance Global Tower, 36th St. corner 11th Ave., Uptown Bonifacio, Taguig City

Management considers that the Company has de facto control over OPI even though its direct ownership interest is not more than 50% of the ordinary shares and voting rights of the said subsidiary due to the factors mentioned in Note 3.1(j).

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of the reporting periods are shown below.

(Amounts in PHP)	Transportation Equipment	Office Furniture and Equipment	Office Improvements	Total
December 31, 2024				
Cost	95,245,285	252,564,530	159,721,188	507,531,003
Accumulated depreciation and amortization	(83,256,056)	(188,617,487)	(109,375,112)	(381,248,655)
Net carrying amount	**11,989,229**	**63,947,043**	**50,346,076**	**126,282,348**
December 31, 2023				
Cost	82,065,416	206,878,037	146,185,850	435,129,303
Accumulated depreciation and amortization	(75,317,724)	(159,624,802)	(90,221,152)	(325,163,678)
Net carrying amount	6,747,692	47,253,235	55,964,698	109,965,625
January 1, 2023				
Cost	79,818,861	173,272,374	139,143,073	392,234,308
Accumulated depreciation and amortization	(70,742,457)	(137,982,186)	(72,943,558)	(281,668,201)
Net carrying amount	9,076,404	35,290,188	66,199,515	110,566,107

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the reporting periods is shown below.

(Amounts in PHP)	Transportation Equipment	Office Furniture and Equipment	Office Improvements	Total
Balance at January 1, 2024 net of accumulated depreciation and amortization	6,747,692	47,253,235	55,964,698	109,965,625
Additions	13,179,869	45,686,493	13,535,338	72,401,700
Depreciation and amortization charges for the year	(7,938,332)	(28,992,685)	(19,153,960)	(56,084,977)
Balance at December 31, 2024 net of accumulated depreciation and amortization	**11,989,229**	**63,947,043**	**50,346,076**	**126,282,348**
Balance at January 1, 2023 net of accumulated depreciation and amortization	9,076,404	35,290,188	66,199,515	110,566,107
Additions	2,626,018	33,605,663	7,042,777	43,274,458
Disposals	(63,244)	-	-	(63,244)
Depreciation and amortization charges for the year	(4,891,486)	(21,642,616)	(17,277,594)	(43,811,696)
Balance at December 31, 2023 net of accumulated depreciation and amortization	6,747,692	47,253,235	55,964,698	109,965,625

(Amounts in PHP)	Transportation Equipment	Office Furniture and Equipment	Office Improvements	Total
Balance at January 1, 2022 net of accumulated depreciation and amortization	14,378,553	35,753,215	76,898,394	127,030,162
Additions	3,130,804	19,068,701	5,357,618	27,557,123
Disposals	(111,235)	-	-	(111,235)
Depreciation and amortization charges for the year	(8,321,718)	(19,531,728)	(16,056,497)	(43,909,943)
Balance at December 31, 2022 net of accumulated depreciation and amortization	9,076,404	35,290,188	66,199,515	110,566,107

Depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

None of the Company's property and equipment are used as collateral for its interest-bearing loans and borrowings.

The Company's transportation equipment was disposed at book value in 2023 and 2022. No gain or loss were recognized on these disposals. No similar transaction took place in 2024.

As of December 31, 2024 and 2023, the cost of the Company's fully depreciated property and equipment that are still used in operations amounted to P226.1 million and P194.7 million, respectively.

11. LEASES

The Company has leases for certain offices and commercial lot. With the exception of short-term leases, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over offices, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company incurred maintenance fees and paid refundable deposits, presented as part of Prepayments and Other Current Assets in the statements of financial position (see Note 7), on such items in accordance with the lease contracts.

The table in the succeeding page describes the nature of the Company's leasing activities by type of right-of-use asset recognized in the statements of financial position.

	Number right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
December 31, 2024					
Offices	**7**	**1–3 years**	**2 years**	**7**	**7**
Commercial lot	**2**	**13–14 years**	**14 years**	**2**	**2**
December 31, 2023					
Offices	7	2–4 years	3 years	7	7
Commercial lot	2	14–15 years	15 years	2	2
December 31, 2022					
Offices	5	3–5 years	4 years	5	5
Commercial lot	2	15–16 years	16 years	2	2

11.1 Right-of-use Assets

The carrying amounts of the Company's right-of-use assets as at December 31, 2024 and 2023 and the movements during the period are shown below.

(Amounts in PHP)	Offices	Commercial Lot	Total
December 31, 2024			
Cost			
Balance at beginning and end of year			
As previously reported	158,267,542	25,654,963	183,922,505
Effect of restatement	85,593,290	74,392,069	159,985,359
As restated	243,860,832	100,047,032	343,907,864
Accumulated amortization			
Balance at beginning of year			
As previously reported	96,461,159	6,841,325	103,302,484
Effect of restatement - see Note 2.1(c)	23,617,342	20,147,851	43,765,193
As restated	120,078,501	26,989,176	147,067,677
Amortization for the year	55,160,211	5,087,868	60,248,079
Balance at end of year	175,238,712	32,077,044	207,315,756
Carrying amount at December 31, 2024	**68,622,120**	**67,969,988**	**136,592,108**
December 31, 2023 [As Restated see Note 2.1 (c)]			
Cost			
Balance at beginning of year			
As previously reported	165,033,008	25,654,963	190,687,971
Effect of restatement	48,929,690	74,392,069	123,321,759
As restated	213,962,698	100,047,032	314,009,730
Additions	36,663,600	-	36,663,600
Derecognition	(6,765,466)	-	(6,765,466)
Balance at end of year	243,860,832	100,047,032	343,907,864
Accumulated amortization			
Balance at beginning of year			
As previously reported	69,430,720	5,473,059	74,903,779
Effect of restatement	8,394,702	16,428,249	24,822,951
As restated	77,825,422	21,901,308	99,726,730
Derecognition	(4,623,067)	-	(4,623,067)
Amortization for the year	46,876,146	5,087,868	51,964,014
Balance at end of year	120,078,501	26,989,176	147,067,677
Carrying amount at December 31, 2023	123,782,331	73,057,856	196,840,187

(Amounts in PHP)	Offices	Commercial Lot	Total
December 31, 2022			
[As Restated see Note 2.1(c)]			
Cost			
Balance at beginning of year			
As previously reported	165,033,008	25,654,962	190,687,970
Effect of restatement	-	74,392,070	74,392,070
As restated	165,033,008	100,047,032	265,080,040
Additions	48,929,690	-	48,929,690
Balance at end of year	213,962,698	100,047,032	314,009,730
Accumulated amortization			
Balance at beginning of year			
As previously reported	36,424,118	4,104,794	40,528,912
Effect of restatement	-	12,708,645	12,708,645
As restated	36,424,118	16,813,439	53,237,557
Amortization for the year	41,401,304	5,087,869	46,489,173
Balance at end of year	77,825,422	21,901,308	99,726,730
Carrying amount at December 31, 2022	136,137,276	78,145,724	214,283,000

Southwoods Mall, Inc. (SMI), a subsidiary of the Company, leased out an office space of a third party to the Company over a three-year period. The Company recognized right-of-use asset and lease liability amounting to P29.5 million and P28.6 million, respectively.

In 2023, the lease contract with third party was pre-terminated which resulted to a gain amounting to P0.5 million and is presented as part of Others under Revenues in the 2023 statement of comprehensive income. Consequently, the corresponding carrying amount of the lease liability and right-of-use-asset were derecognized. There was no similar transaction in 2024 and 2022.

The Company also entered into several lease agreements with Megaworld for office spaces. Further details regarding these leases are disclosed in Note 21.2(b).

11.2 Lease Liabilities

Lease liabilities are presented in the statements of financial position are as follows:

(Amounts in PHP)	**2024**	2023 (As restated see Note 2)
Current	**54,554,785**	59,993,919
Non-current	**427,254,086**	481,808,871
	481,808,871	541,802,790

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company's regional markets strategy and the economic benefit of exercising the option exceeds the expected overall cost.

The undiscounted maturity analysis of lease liabilities at December 31, 2024, 2023 and 2022 is as follows:

(Amounts in PHP)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
December 31, 2024							
Lease payment	90,085,145	53,991,759	35,210,082	35,698,966	36,983,300	722,295,136	974,264,388
Finance charges	(35,530,360)	(32,675,582)	(31,809,617)	(31,541,438)	(31,153,075)	(329,745,445)	(492,455,517)
Net present value	**54,554,785**	**21,316,177**	**3,400,465**	**4,157,528**	**5,830,225**	**392,549,691**	**481,808,871**
December 31, 2023							
Lease payment	100,094,148	90,085,145	53,991,759	35,210,082	35,698,966	759,278,434	1,074,358,534
Finance charges	(40,100,227)	(35,530,360)	(32,675,582)	(31,809,617)	(31,541,438)	(360,898,520)	(532,555,744)
Net present value	59,993,921	54,554,785	21,316,177	3,400,465	4,157,528	398,379,914	541,802,790

11.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis.

The expenses related to short-term leases amounted to P5.5 million, P9.1 million, and P9.0 million in 2024, 2023 and 2022, respectively, and are presented as rental under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

At December 31, 2024 and 2023, the Company is committed to short-term leases, and the total commitment at that date is P47.0 million and P45.4 million, respectively.

11.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P73.2 million, P63.3 million, and P57.0 million in 2024, 2023 and 2022, respectively. Interest expense in relation to lease liabilities amounted to P40.1 million, P42.3 million, and P44.1 million in 2024, 2023 and 2022, respectively, and are presented as part of Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2).

12. INVESTMENT PROPERTIES

The Company's investment properties include various buildings held for lease and several parcels of land which are owned to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation and amortization of investment property at the beginning and end of the reporting periods are shown as follows:

(Amounts in PHP)	Land	Building and Improvements	Construction in Progress	Total
December 31, 2024				
Cost	970,251,670	1,060,812,691	1,232,969,842	3,264,034,203
Accumulated depreciation and amortization	-	(390,722,324)	-	(390,722,324)
	970,251,670	**670,090,367**	**1,232,969,842**	**2,873,311,879**
December 31, 2023				
Cost	970,191,757	1,060,812,691	-	2,031,004,448
Accumulated depreciation and amortization	-	(347,895,992)	-	(347,895,992)
	970,191,757	712,916,699	-	1,683,108,456

(Amounts in PHP)	Land	Building and Improvements	Construction in Progress	Total
January 1, 2023				
Cost	968,549,661	1,060,812,691	-	2,029,362,352
Accumulated depreciation and amortization	-	(303,884,917)	-	(303,884,917)
	968,549,661	756,927,774	-	1,725,477,435

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting period is shown below:

(Amounts in PHP)	**Land**	**Building and Improvements**	**Construction in Progress**	**Total**
Balance at January 1, 2024, net of accumulated deprecation and amortization	970,191,757	712,916,699	-	1,683,108,456
Additions	59,913	-	437,179,412	437,239,325
Reclassifications	-	-	795,790,430	795,790,430
Depreciation and amortization charges for the year	-	(42,826,332)	-	(42,826,332)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**970,251,670**	**670,090,367**	**1,232,969,842**	**2,873,311,879**
Balance at January 1, 2023, net of accumulated deprecation and amortization	968,549,661	756,927,774	-	1,725,477,435
Additions	1,642,096	-	-	1,642,096
Depreciation and amortization charges for the year	-	(44,011,075)	-	(44,011,075)
Balance at December 31, 2023, net of accumulated depreciation and amortization	970,191,757	712,916,699	-	1,683,108,456
Balance at January 1, 2022, net of accumulated deprecation and amortization	1,057,691,958	802,900,728	-	1,860,592,686
Additions	10,720,792		-	10,720,792
Reclassifications	(99,863,089)	-	-	(99,863,089)
Depreciation and amortization charges for the year	-	(45,972,954)	-	(45,972,954)
Balance at December 31, 2022, net of accumulated depreciation and amortization	968,549,661	756,927,774	-	1,725,477,435

Rental income recognized in 2024, 2023 and 2022 amounted to P239.1 million, P169.4 million, and P155.5 million, respectively, and is presented as Rental Income account in the statements of comprehensive income. Depreciation charges represent the major direct costs in leasing these properties and is presented as part of Cost of rentals in the statements of comprehensive income (see Note 17). Other operating costs in leasing these properties include real property taxes amounting to P4.3 million, P3.2 million, and P4.2 million, respectively. Repairs and maintenance amounted to P11.5 million, P7.0 million, and P10.6 million in 2024, 2023 and 2022, respectively. Real property taxes are included as part of Taxes and licenses while Repairs and maintenance is under the Other Operating Expenses account in the statements of comprehensive income (see Note 17).

Except for the construction in progress and land held for undetermined future use, all of the Company's investment properties generated rental income for the years ended December 31, 2024, 2023 and 2022. As of December 31, 2024 and 2023, there are no new contractual commitments for construction in progress.

In 2024, the Company reclassified projects from property development costs and real estate for sale amounting to P795.8 million to Investment Property (see Note 6). There was no similar transaction in 2023. These reclassifications were made as a result of the change in use of the properties from being held for sale to being held for lease.

On the other hand, the fair value of land amounted to P8.7 billion both as at December 31, 2024 and 2023, and P7.4 billion as at December 31, 2022, determined through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

The breakdown of Investment Properties at its fair market value are as follows:

(Amounts in PHP)	**2024**	2023
Building and improvements	**2,201,309,895**	2,461,875,511
Land and land improvement	**8,691,930,343**	8,691,930,343
Construction in progress	**1,232,969,842**	-
	12,126,210,080	11,153,805,854

Other information about the fair value measurement and disclosures related to the investment property are presented in Note 27.3. None of the Company's investment properties are used as collateral for its interest-bearing loans and borrowings.

13. INTEREST-BEARING LOANS

The Company's interest-bearing loans are broken down as follows:

(Amounts in PHP)	**2024**	2023
Current	**1,533,200,000**	1,133,790,603
Non-current	**5,537,465,285**	5,543,825,162
	7,070,665,285	6,677,615,765

In 2024, the Company obtained unsecured interest-bearing loans from Banco De Oro Unibank, Inc. (BDO) and Rizal Commercial Banking Corporation (RCBC) amounting to P500.0 million and P1,000.0 million, respectively. The loan with BDO bears a floating interest rate and subject to quarterly repricing, payable quarterly in arrears for five years. The loan from RCBC is composed of two loans worth P500 million each, subject to floating interest rates and quarterly repricing, payable quarterly in arrears for seven years. As of December 31, 2024, the total outstanding balance of these loans is P1,489.9 million.

In 2023, the Company obtained unsecured interest-bearing loans from China Banking Corporation (Chinabank), and BDO amounting to P2,000.0 million and P1,500.0 million, respectively. The loan from Chinabank is composed of two loans worth P1,000.0 million, each, payable quarterly in arrears for five years and are subject to floating interest rates and quarterly repricing. The loan obtained from BDO is subject to floating interest rates and quarterly repricing and is payable quarterly in arrears for five years. As of December 31, 2024, and 2023, the total outstanding balance of these loans is P3,483.1 million and P3,475.7 million, respectively.

The Company obtained an unsecured interest-bearing loan from Megaworld during the last quarter of 2022. The loan obtained in 2022 amounting to P1,000.0 million with an interest rate of 6.33% and shall be payable for a maximum term of sixty months, while the loan obtained in 2021 of the same amount and interest rate is payable for a maximum period of eight years. The Company shall repay the loan in 15 equal quarterly amortizations. As of December 31, 2024 and 2023, the related outstanding balance of these loans is P1,000.0 million. [See Note 21.7(c)].

In 2021 and 2020, the Company obtained an unsecured interest-bearing-loans from Unionbank of the Philippines. The loan obtained in 2020 amounting to P1,000.0 million is payable quarterly for a term of five years, bearing a fixed interest rate of 5.26% and payable quarterly in arrears. The loan obtained in 2021 amounting to P1,000.0 million is payable quarterly for a term of five years, bearing a fixed interest rate of 5.37% and payable quarterly in arrears. As of December 31, 2024 and 2023, the outstanding balance pertaining to these loans amounted to P499.4 million and P1,166.7 million, respectively.

The Company availed unsecured, interest-bearing loans from RCBC in 2021 and 2020. The loan obtained in 2020 amounting to P500.0 million is payable quarterly with a term of seven years, with a floating interest rate, subject to quarterly repricing, and is payable quarterly in arrears. The outstanding balance from this loan amounted to P299.1 million and P400.0 million as of December 31, 2024 and 2023, respectively. The loan obtained in 2021 from RCBC amounting to P500.0 million has the same terms with the 2020 loan from the same bank, payable quarterly with a term of seven years. The related outstanding balance from this loan amounted to is P598.2 million and P400.0 million as of December 31, 2024 and 2023.

In 2019, the Company obtained an unsecured long-term loan from BDO amounting to P2,000.0 million, payable quarterly for a term of five years. The loan bears a floating interest rate subject to quarterly repricing and is payable quarterly in arrears. The outstanding balance pertaining to this loan amounted P235.3 million as of December 31, 2023. The loan was fully paid in 2024.

In 2017, the Company obtained an unsecured long-term loan from a local bank amounting to P2,000.0 million. The loan is payable quarterly for a term of five years commencing on the beginning of the fifth quarter from the initial drawdown date. The loan was fully paid in 2022.

The Company is required to maintain certain financial ratios to comply with its debt covenants with local banks. These covenants include maintaining a minimum current ratio, debt to equity ratio, and debt service coverage ratio (see Note 28). The Company is compliant with its debt covenants.

The accrued interest payable amounted to P21.8 million, P11.0 million and P6.3 million as of December 31, 2024, 2023, and 2022, respectively, is presented as part of Others under the Trade and Other Payables account in the statements of financial position (see Note 14).

Total capitalized borrowing costs from the interest expense on loans are P310.9 million, P382.9 million, and P280.5 million, in 2024, 2023, and 2022, respectively. The 2024 capitalized borrowing cost forms part of Investment properties (see Note 12), while the 2023 and 2022 capitalized costs are part of the Inventories account (see Note 6). No interest is capitalized on inventories in 2024 due to the adoption of IFRIC Agenda Decision on PAS 23 [see Note 2.1b(i)]. Interest charged to expensed amounted to P165.4 million and P14.4 million in 2024 and 2022, respectively (nil in 2023), and is presented as Interest expense on loans under Finance Costs and Other Charges account in the statements of comprehensive income (see Note 18.2).

Total interest costs incurred attributable to these loans amounted to P476.3 million, P382.9 million and P294.9 million in 2024, 2023 and 2022, respectively. Average capitalization rate used in determining the amount of interest charges qualified for capitalization is 7.29%, 5.05%, and 5.30% in 2024, 2023 and 2022, respectively.

14. TRADE AND OTHER PAYABLES

This account consists of:

(Amounts in PHP)	Notes	**2024**	2023
Trade payables		**498,138,501**	390,562,367
Deferred output VAT		**1,085,840,312**	1,000,062,554
Commissions payable	21.7(a)	**263,099,822**	208,877,417
Retention payable		**81,138,116**	65,775,014
Due to joint venture partners		**72,109,926**	54,377,203
Withholding tax and other government contributions payable		**51,060,507**	51,838,429
Subscriptions payable		**624,995**	-
Others	13	**143,948,697**	109,676,964
		2,195,960,876	1,881,169,948

Trade payables include the unpaid portion of land for future development acquired by the Company and other payables in the normal course of business.

Commissions payable represent amounts due to the Company's various sales agents for units sold in the ordinary course of business.

Due to joint venture partners represent the share of partners in the proceeds from the sale of certain projects in accordance with various joint agreements entered into by the Company.

In 2024, the Company recognized subscriptions payable for the incorporation of CHBI. There was no similar transaction in 2023 and 2022.

Other payables consist primarily of refund liability, output VAT payable, security deposits and accrued interest payable.

15. OTHER NON-CURRENT LIABILITIES

This account consists of:

(Amounts in PHP)	**2024**	2023
Retention payable	**375,422,853**	327,861,386
Advance rental	**6,350,974**	9,051,174
	381,773,827	336,912,560

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted back to the contractors.

Advance rental refers to the rental payments advanced by the lessee during the year which will be applied to the subsequent payments.

16. REVENUES

16.1 Disaggregation of Revenues

The Company derives revenues from sale of real estate. An analysis of the Company's major source of revenues is presented below.

(Amounts in PHP)	**2024**	2023	2022
Geographical areas			
Luzon	**1,469,212,333**	1,954,736,080	2,219,161,052
Visayas	**1,511,968,273**	2,356,836,149	1,218,479,189
	2,981,180,606	4,311,572,229	3,437,640,241
Types of products			
Residential lots	**1,609,684,879**	832,019,179	1,996,363,543
Residential condominium	**584,061,525**	2,494,168,411	1,418,638,812
Commercial lots	**787,434,202**	985,384,639	22,637,886
	2,981,180,606	4,311,572,229	3,437,640,241

16.2 Contract Accounts

a. Contract Assets

The Company's contract assets are classified as follows:

(Amounts in PHP)	**2024**	2023
Current	**2,498,944,784**	2,726,170,570
Non-current	**49,259,930**	676,371,699
	2,548,204,714	3,402,542,269

The significant changes in the contract assets balances during the year are as follows:

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**3,402,542,269**	2,702,692,763
Effect of adoption of PFRS 15 [see Note 2.1 (b)(ii)]	**(377,510,605)**	-
	3,025,031,664	2,702,692,763
Transfers from contract assets recognized at the beginning of the year to accounts receivables	**(612,912,616)**	(530,296,407)
Increase as a result of changes in measurement of progress, net of collections	**40,511,471**	1,230,145,913
Accretion of interest income from significant financing component	**104,016,451**	-
Sales Cancellation	**(8,442,256)**	-
Balance at end of year	**2,548,204,714**	3,402,542,269

b. Contract Liabilities

The Company's contract liabilities are classified as follows:

(Amounts in PHP)	**2024**	2023
Current	**5,668,067**	17,161,181
Non-current	**234,767,665**	221,001,249
	240,435,732	238,162,430

The significant changes in the contract liabilities balances during the year are as follows:

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**238,162,430**	154,260,328
Effect of adoption of PFRS 15 [see Note 2.1 (b)(ii)]	**3,632,399**	-
	241,794,829	154,260,328
Revenue recognized previously included in contract liability at the beginning of the year	**(62,848,562)**	(16,129,331)
Increase as due to cash received excluding amount recognized as revenue during the year	**61,284,913**	100,031,433
Accretion of interest expense from significant financing component	**4,508,234**	-
Sales cancellation	**(4,303,682)**	-
Balance at end of year	**240,435,732**	238,162,430

16.3 Direct Contract Cost

The Company incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission under Prepayments and Other Current Assets in the statements of financial position (see Note 7). These are amortized over the expected construction period on the same basis as how the Company measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as part of Commissions under Other Operating Expenses account in statements of comprehensive income (see Note 17).

The movement in balances of deferred commission in 2024 and 2023 is presented below:

(Amounts in PHP)	Notes	**2024**	2023
Balance at beginning of year		**441,863,860**	344,042,359
Additions for the year		**299,032,433**	240,762,801
Amortization for the year	17	**(78,842,975)**	(142,941,300)
Balance at end of year	7	**662,053,318**	441,863,860

16. 4 Transaction Price Allocated to Unsatisfied Performance Obligation

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2024 and 2023 is P2,654.7 million and P2,078.9 million, respectively. As of December 31, 2024 and 2023, the Company expects to recognize revenue from unsatisfied contracts as follows:

(Amounts in PHP)	**2024**	2023
Within a year	**706,593,662**	975,848,920
More than one year to three years	**1,555,227,001**	839,171,270
More than three years to five years	**392,846,099**	263,866,570
	2,654,666,762	2,078,886,760

17. OPERATING EXPENSES BY NATURE

Presented below are the details of this account.

(Amounts in PHP)	Notes	2024	2023 [As Restated – see Note 2.1 (c)]	2022 [As Restated – see Note 2.1 (c)]
Cost of real estate sales		**1,292,373,277**	1,819,711,621	1,141,903,827
Salaries and employee benefits	19.1	**565,714,874**	425,939,550	337,947,183
Depreciation and amortization	10,11, 12, 21.2	**159,159,388**	139,786,786	136,372,070
Commissions	16.3, 21.7(a)	**143,295,348**	194,520,667	181,059,197
Professional fees and outside services		**50,770,112**	48,312,903	48,580,952
Taxes and licenses	12	**41,806,314**	19,310,391	45,677,687
Subscriptions and membership dues		**36,823,373**	25,624,033	24,666,550
Transportation and travel		**26,103,393**	23,016,372	27,061,708
Utilities		**23,468,984**	20,180,118	33,545,532
Management fees	21.6	**22,614,180**	8,571,429	12,171,429
Repairs and maintenance	12	**11,515,568**	6,991,646	10,574,748
Representation and entertainment		**9,223,921**	6,295,062	13,179,625
Advertising and promotions		**8,635,241**	4,583,375	5,154,016
Rentals	11.3	**5,469,934**	9,114,963	9,046,210
Agency fees		**4,129,011**	2,778,190	1,292,485
Insurance		**2,296,193**	1,093,905	1,500,512
Registration and other fees		**1,908,763**	2,904,896	3,810,976
Directors' fees	21	**450,000**	450,000	450,000
Miscellaneous		**44,281,867**	17,266,322	19,533,611
		2,450,039,741	2,776,452,229	2,053,528,318

These expenses are classified in the statements of comprehensive income as follows:

(Amounts in PHP)	Note	2024	2023 [As Restated – see Note 2.1 (c)]	2022 [As Restated – see Note 2.1 (c)]
Cost of real estate sales		**1,292,373,277**	1,819,711,621	1,141,903,827
Cost of rentals	12	**42,826,332**	44,011,075	45,972,955
Other operating expenses		**1,114,840,132**	912,729,533	865,651,536
		2,450,039,741	2,776,452,229	2,053,528,318

The cost of real estate sales is further broken down as follows:

(Amounts in PHP)	Note	**2024**	2023	2022
Contracted services		**1,279,272,660**	1,629,160,239	968,249,562
Land cost		**13,100,617**	153,361,089	106,665,678
Borrowing cost	13	**-**	37,190,293	66,988,587
		1,292,373,277	1,819,711,621	1,141,903,827

No borrowing costs were capitalized in 2024 due to the adoption of IFRIC Agenda Decision on PAS 23, which represents the costs incurred on the general and specific borrowings obtained by the Company to fund its construction projects [see Note 2.1 (b)(i)].

18. FINANCE INCOME AND FINANCE COSTS AND OTHER CHARGES

18.1 Finance Income

Presented below are the details of this account.

(Amounts in PHP)	Notes	**2024**	2023	2022
Interest income from:				
Real estate sales	5	**490,512,811**	100,568,704	64,639,351
Finance lease	5	**24,829,544**	34,355,507	38,419,379
Cash in banks and short-term placements	4	**26,138,224**	18,898,106	24,516,037
Advances to related parties	21.4, 21.7(c)	**12,882,427**	12,847,230	12,265,193
		554,363,006	166,669,547	139,839,960
Foreign exchange gains - net		**558,176**	10,159,664	13,401,592
		554,921,182	176,829,211	153,241,552

18.2 Finance Costs and Other Charges

Presented below are the details of this account.

(Amounts in PHP)	Notes	**2024**	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Interest expense on:				
Loans	13, 21.7(c)	**131,705,008**	-	14,397,986
Lease liabilities	11.4, 21.2(b)	**40,100,228**	42,272,050	44,081,428
Advances from related parties	13 21.5	**33,722,425**	9,586,218	9,158,872
Retirement benefit obligation (RBO)	19.2	**5,762,010**	5,093,491	3,898,949
Others		**5,255,183**	2,976,346	2,486,967
		216,544,854	59,928,105	74,024,202
Loss on cancellation		**259,247,980**	119,315,337	149,827,672
Loss on refund		**14,742,587**	1,952,351	1,290,225
Impairment loss	21.4	**-**	-	22,832,265
		490,535,421	181,195,793	247,974,364

19. EMPLOYEE BENEFITS

19.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

(Amounts in PHP)	Note	**2024**	2023	2022
Short-term benefits		**547,165,006**	418,144,760	326,851,727
Post-employment benefits	19.2	**18,549,868**	7,794,790	11,095,456
		565,714,874	425,939,550	337,947,183

19.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, non-contributory post-employment defined benefit plan covering all regular employees. The plan provides for lump-sum benefits equivalent to 85% to 150% of the employee's monthly salary for every year of service depending on the number of years of service. The normal retirement age is 60 years and applicable upon completion of five years of faithful and continuous service to the Company. However, an employee who attains the age of 50 with the completion of no less than 10 years of service or upon completion of 15 years of service and opts for an early retirement is likewise entitled to the same benefits. Actuarial valuations are made annually to update the retirement benefit costs.

(b) *Explanation of Amounts Presented in the Financial Statements*

Actuarial valuations are to be made annually to update the retirement benefit costs and the amount of contributions. All the amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2024 and 2023.

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**86,516,665**	64,885,242
Current service cost	**18,549,868**	7,794,790
Interest expense	**5,762,010**	5,093,491
Actuarial losses (gains) arising from:		
Changes in financial assumptions	**11,128,430**	10,478,709
Experience adjustments	**1,619,370**	(1,735,567)
Balance at end of year	**123,576,343**	86,516,665

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the post-employment defined benefit plan are shown below.

(Amounts in PHP)	**2024**	2023	2022
Reported in profit or loss:			
Current service cost	**18,549,868**	7,794,790	11,095,456
Interest cost	**5,762,010**	5,093,491	3,898,949
	24,311,878	12,888,281	14,994,405
Reported in other comprehensive loss (income) –			
Actuarial losses (gains) arising from:			
Changes in financial assumptions	**11,128,430**	10,478,709	(26,445,194)
Experience adjustments	**1,619,370**	(1,735,567)	1,839,796
	12,747,800	8,743,142	(24,605,398)

The amounts of current service cost incurred are presented as part of Salaries and employee benefits under Other Operating Expenses account in the statements of comprehensive income (see Note 17). The amounts of interest expense related to the retirement benefit obligation are presented as Interest Expense on RBO under Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2).

The amount recognized in other comprehensive income is included as an item that will not be reclassified subsequently to profit or loss.

In determining the amounts of the post-employment defined benefit obligation, the following significant actuarial assumptions were used:

	2024	2023	2022
Discount rates	**5.91%**	6.66%	7.85%
Expected rate of salary increase	**4.00%**	4.00%	4.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average expected remaining working life of employees retiring at the age of 60 is 32 years for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk and longevity and salary risks.

(i) Interest Risk

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions and the timing and uncertainty of future cash flows related to the retirement plan are described below.

(i) Sensitivity Analysis

	Impact on Retirement Benefit Obligation		
(Amounts in PHP)	**Change in Assumptions**	**Increase in Assumptions**	**Decrease in Assumptions**
December 31, 2024			
Discount rate	**+/- 0.5%**	**(7,724,037)**	**9,264,109**
Salary increase rate	**+/- 1.0%**	**19,980,736**	**(14,400,048)**
December 31, 2023			
Discount rate	+/- 0.5%	(4,763,224)	5,369,161
Salary increase rate	+/- 1.0%	11,563,897	(9,087,885)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the DBO has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the DBO recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Funding Arrangements and Expected Contributions

The plan is currently unfunded as of December 31, 2024. While there is no minimum funding requirement in the country, the non-funding may pose a cash flow risk in about 20 years' time when a significant number of employees are expected to retire.

The maturity profile for the next 20 years of undiscounted expected benefit payments from the plan as of December 31 follows.

(Amounts in PHP)	**2024**	2023
Within one year	**11,989,850**	7,818,463
More than one year to five years	**12,784,683**	6,847,342
More than five years to 10 years	**26,485,832**	28,926,447
More than 10 years to 15 years	**141,579,623**	85,048,137
More than 15 years to 20 years	**230,501,458**	231,244,863
	423,341,446	359,885,252

The weighted average duration of the defined benefit obligation at the end of the reporting period is 23 years.

20. CURRENT AND DEFERRED TAXES

On March 26, 2021, Republic Act (R.A.) No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Company.

- regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

The components of tax expense as reported in the statements of comprehensive income are as follows:

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]	2022
Reported in profit or loss:			
Current service cost			
RCIT at 25%	**98,632,365**	109,332,043	48,170,145
Final tax	**5,226,687**	3,776,740	4,899,686
	103,859,052	113,108,783	53,069,831
Deferred tax expense relating to Origination and reversal of temporary differences	**108,777,018**	475,559,965	413,241,422
	212,636,070	588,668,748	466,311,253
Reported in other comprehensive income –			
Deferred tax expense (income) relating to remeasurements of retirement benefit plan	**(3,186,950)**	(2,185,786)	6,151,350

A reconciliation of tax on pre-tax profit computed at the applicable statutory rates to income tax expense reported in the statements of comprehensive income is presented below.

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]	2022
Tax on pre-tax profit at 25%	**509,260,114**	594,789,710	540,383,126
Adjustment for income subjected to lower income tax rates	**(1,307,868)**	(944,906)	(1,229,324)
Tax effects of:			
Non-taxable income	**(318,114,471)**	(106,762,627)	(129,603,038)
Reversal of previously recognized deferred taxes	**(28,450,485)**	(3,762,031)	-
Non-deductible expenses	**1,995,469**	104,403,697	55,534,687
Non-deductible interest expenses	**49,253,311**	944,905	1,225,802
	212,636,070	588,668,748	466,311,253

The net deferred tax liabilities as at December 31 relate to the following:

(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]
Unrealized profit on real estate sale	**(1,702,361,680)**	(1,696,531,833)
Deferred commission	**(143,870,018)**	(102,187,174)
Marketing fee receivable	**(129,913,355)**	(135,651,230)
Leases	**86,304,191**	86,240,651
Finance lease	**(78,778,629)**	(110,532,961)
Capitalized borrowing cost	**(77,724,830)**	(168,772,596)
Rental income	**(66,466,539)**	(39,837,780)
Retirement benefit obligation	**30,894,086**	21,629,167
Refund liability	**(7,795,345)**	(4,790,523)
Unrealized foreign exchange gain – net	**(139,548)**	(2,599,916)
	(2,089,851,667)	(2,153,034,195)

The components of net deferred tax expense (income) are as follows:

	Profit or Loss			**Other Comprehensive Income**		
(Amounts in PHP)	**2024**	2023 [As Restated – see Note 2.1(c)]	2022	**2024**	2023	2022
Capitalized borrowing cost	**77,724,830**	36,786,253	37,071,684	**-**	-	-
Deferred commission	**41,682,845**	21,417,382	21,346,254	**-**	-	-
Finance lease	**(31,754,332)**	(19,602,520)	9,604,845	**-**	-	-
Rental income	**26,628,760**	12,100,709	3,926,702	**-**	-	-
Retirement benefit obligation	**(6,077,969)**	(3,001,378)	(3,404,900)	**(3,186,950)**	(2,185,786)	6,151,350
Unrealized profit on real estate sales	**5,829,846**	428,424,850	330,717,315	**-**	-	-
Marketing fee receivable	**(5,737,874)**	2,085,141	18,687,888	**-**	-	-
Refund liability	**3,004,823**	1,604,205	1,981,127	**-**	-	-
Unrealized foreign exchange gains (losses) – net	**(2,460,371)**	(750,482)	1,007,341	**-**	-	-
Leases	**(63,540)**	(62,610,587)	(7,696,834)	**-**	-	-
Share-based employee compensation	**-**	59,106,392	-	**-**	-	-
Deferred tax expense (income)	**108,777,018**	475,559,965	413,241,422	**(3,186,950)**	(2,185,786)	6,151,350

In 2024, and 2023, the Company is subject to the MCIT which is computed at 2% and 1.5%, respectively, of gross income net of allowable deductions, as defined under the tax regulations, or to RCIT, whichever is higher.

No MCIT was reported in 2024, 2023 and 2022 since the RCIT was higher than MCIT in those years. In 2024, 2023 and 2022, the Company opted to continue claiming itemized deductions in computing for its income tax due.

21. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company, subsidiaries, associates, a stockholder, the Company's key management personnel and others as described below.

21.1 Summary of Related Party Transactions

The summary of the Company's transactions with its related parties for the years ended December 31, 2024, 2023 and 2022, and the related outstanding balances as of December 31, 2024 and 2023 are as follows:

(Amounts in PHP)

		Amount of Transactions			Outstanding Balances	
Related Party Category	Notes	**2024**	2023 [As Restated – see Note 2.1(c)]	2022 [As Restated – see Note 2.1(c)]	**2024**	2023 [As Restated – see Note 2.1(c)]
Parent company:						
Lease liability	21.2(b)	**(44,278,557)**	(38,513,422)	(31,822,528)	**(47,607,317)**	(91,885,874)
Right-of-use assets	21.2(b)	**(41,356,331)**	(40,859,626)	(38,361,915)	**48,280,815**	89,637,146
Availments of advances – net of interest	21.5	**(10,111,989)**	37,747,297	(25,694,190)	**(179,968,187)**	(169,856,198)
Interest – advances	21.5	**(33,722,425)**	(9,586,218)	(9,158,872)	**-**	-
Services	21.6	**8,571,429**	8,571,429	8,571,429	**-**	-
Commission expense	21.7(a)	**6,914,179**	4,057,829	5,009,794	**-**	-
Interest-bearings loans	21.7(c)	**-**	1,000,000,000	(1,000,000,000)	**(1,000,000,000)**	(1,000,000,000)
Interest – loans	21.7(c)	**(63,473,425)**	(122,907,500)	(78,604,726)	**-**	-
Subsidiaries:						
Net grants of cash advances	21.4	**(205,568,899)**	148,020,575	(3,318,815)	**8,261,739,002**	8,467,307,901
Cash held in trust	21.7(d)	**3,306,663**	(5,378,989)	1,781,804	**14,945,657**	11,638,994
Commission income	21.7(b)	**8,977,990**	90,863,807	15,231,540	**-**	-
Lease liability	21.2(b)	**(8,841,771)**	26,830,715	-	**(17,988,944)**	(26,830,715)
Right-of-use assets	21.2(b)	**(9,836,540)**	27,050,485	-	**17,213,945**	27,050,485
Commission expense	21.7(a)	**137,378,375**	124,546,618	119,171,887	**(183,482,388)**	(118,046,488)
Management and marketing income	21.3	**135,039,770**	95,278,350	133,222,680	**189,513,050**	169,423,465
Repayments (availments) of advances	21.5	**13,971,361**	(158,662,623)	(15,575,609)	**(160,266,871)**	(174,238,232)
Rental income	21.2(a)	**104,154,649**	48,660,383	30,128,123	**203,950,152**	105,674,836
Loans receivable	21.7(c)	**-**	-	-	**134,217,245**	134,217,245
Interest income	21.7(c)	**8,075,098**	8,053,035	7,999,7161	**-**	671,767
Other investees of shareholders:						
Granting of cash advances – net of collections	21.4	**(32,231,786)**	(12,881,422)	(48,435,709)	**1,641,108,059**	1,673,339,845
Interest income	21.4	**4,807,329**	4,794,195	4,265,477	**54,492,261**	50,396,368
Net repayments (availments) of cash advances	21.5	**27,891**	10,590,185	20,879,445	**(84,041,448)**	(84,069,339)
Officers and employees – Granting of cash advances – net of collections	21.4	**15,547,776**	24,694,225	5,705,196	**131,774,494**	116,226,718
Key Management Personnel – Compensation	21.8	**31,604,409**	29,487,469	27,388,864	**-**	-
Stockholders – Director's fees	17	**450,000**	450,000	450,000	**-**	-

Unless otherwise stated, the related receivables and payables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand.

Based on management's assessment, certain advances to related parties were impaired as of December 31, 2024 and 2023. As such, adequate amount of allowance of ECL is recognized (see Note 25.2).

21.2 Rental Income and Rental Expense

(a) Company as a Lessor

The Company leases its investment property to certain related parties with rental payments mutually agreed on a yearly basis. The rental earned from these related parties, which are based either on fixed monthly payments or with annual escalation rate of 5% per agreement, are included as part of Rental Income account in the statements of comprehensive income (see Note 12).

The outstanding receivables from these transactions are presented as part of Rental receivables under the Trade and Other Receivables account in the statements of financial position (see Note 5).

The outstanding receivables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand.

(b) Company as a Lessee

In December 2020, the Company entered into a new lease agreement as lessee with Megaworld covering the Company's new office space and recognized related right-of-use asset and lease liability. The corresponding amortization of the right-of-use asset amounted to P18.0 million in 2024, 2023 and 2022 and is presented as part of Depreciation and amortization under Other Operating Expenses in the statements of comprehensive income (see Note 17). Interest incurred on lease liability amounted to P2.2 million, P3.6 million and P4.9 million in 2024, 2023, and 2022, respectively, and is presented as part of Interest expense under Finance Costs and Other Charges in the statements of comprehensive income, respectively (see Note 18.2). As of December 31, 2024, the related carrying amounts of the right-of-use asset and lease liability amounted to P16.5 million and P15.2 million, respectively, while as of December 31, 2023, the related carrying amounts of the right-of-use asset and lease liability amounted to P34.5 million and P35.8 million, respectively (see Note 11).

In January 2021, the Company entered into another lease agreement with Megaworld as lessee for a new office space. The Company recognized right-of-use asset amounting to P68.2 million and lease liability amounting to P62.1 million. The corresponding amortization of the right-of-use asset amounted to P13.6 million and is presented as part of the Operating Expenses in the statements of comprehensive income (see Note 17). Interest expense incurred in relation to the lease liability amounted to P1.7 million, P4.5 million, and P3.7 million in 2024, 2023, and 2022, respectively, and is presented as part of the Interest Expense under the Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2). As of December 31, 2024, the carrying value of right-of-use asset and lease liability amounted to P13.6 million and P12.7 million, respectively, while as of December 31, 2023, the carrying value of right-of-use asset and lease liability amounted to P27.3 million and P27.6 million, respectively.

Furthermore, in February 2022, the Company became a lessee of Megaworld for an office space located on the 15th Floor, Commerce and Industry Plaza Building for five years. The Company recognized right of use asset amounting to P36.6 million and lease liability amounting to P34.1 million. The corresponding amortization of the right-of-use asset amounted to P7.3 million and is presented as part of the Operating Expenses in the statements of comprehensive income (see Note 17). Interest expense incurred in relation to the lease liability amounted to P1.4 million, P1.9 million, and P2.1 million in 2024, 2023, and 2022, respectively, and is presented as part of the Interest Expense under the Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2). As of December 31, 2024, the carrying value of right-of-use asset and lease liability amounted to P15.2 million and P16.9 million, respectively, while as of December 31, 2023, the carrying value of right-of-use asset and lease liability amounted to P22.6 million and P23.5 million, respectively.

In March 2023, Megaworld leased out their 12th Floor Petron Mega Plaza Building in Makati City for a lease period of three years. The Company recognized right of use asset amounting to P7.2 million and lease liability amounting to P6.5 million. The corresponding amortization of the right-of-use asset amounted to P2.4 million and is presented as part of the Operating Expenses in the statements of comprehensive income (see Note 17). Interest expense incurred in relation to the lease liability amounted to P0.3 million and P0.4 million in 2024 and 2023, respectively, and is presented as part of the Interest Expense under the Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2). As of December 31, 2024, the carrying value of right-of-use asset and lease liability amounted to P2.9 million and P2.8 million, respectively, while as of December 31, 2023, the carrying value of right-of-use asset and lease liability amounted to P5.3 million and P4.9 million, respectively.

In October 2023, Southwoods Mall, Inc. (SMI), a subsidiary of the Company, leased out an office space in BPO Tower 1 to GERI over a three-year period. The Company recognized right-of-use asset and lease liability amounting to P29.5 million and P28.6 million, respectively. The corresponding amortization of the right-of-use asset amounted to P9.8 million and is presented as part of the Operating Expenses in the statements of comprehensive income (see Note 17). Interest expense incurred in relation to the lease liability amounted to P1.6 million and P0.4 million in 2024 and 2023, respectively, and is presented as part of the Interest Expense under the Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2). As of December 31, 2024, the carrying value of right-of-use asset and lease liability amounted to P17.2 million and P18.0 million, respectively, while as of December 31, 2023, the carrying value of right-of-use asset and lease liability amounted to P27.0 million and P17.2 million, respectively.

21.3 Management and Marketing Income

In 2017, the Company and FEUDC entered into an agreement wherein the Company shall provide technical guidance in terms of management and supervision of the latter's operations and in return, the Company shall receive management fees.

In 2012, the Company and OPI entered into an exclusive marketing agreement wherein the Company is appointed as the exclusive marketing agent of certain projects of OPI. The Company shall be responsible for all expenses incurred for advertising, promotion, printing of brochures, marketing research, sales management, and documentation of sales. In consideration for the services rendered to OPI, the Company will receive a management fee equivalent to 5% and marketing fee equivalent to 12% of the cash collections from sale of lots.

Management and marketing fee earned in relation to the above agreements is presented as part of Management and Marketing Income account in the statements of comprehensive income. The related outstanding receivable from this transaction amounted to P189.5 million and P169.4 million as at December 31, 2024 and 2023, respectively, is presented as part of Marketing and management fee receivable under Trade and Other Receivables account in the statements of financial position (see Note 5). The outstanding receivables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand.

21.4 Advances to Related Parties and Officers and Employees

The Company grants advances to its subsidiaries, associates, and other related parties for working capital purposes. The balances of these advances, net of the allowance for impairment, shown as Advances to Related Parties account in the statements of financial position, are as follows:

(Amounts in PHP)	**2024**	2023
Subsidiaries	**8,261,739,002**	8,467,307,901
Other investees of shareholders	**1,641,108,059**	1,673,339,845
	9,902,847,061	10,140,647,746

A summary of transactions with these related parties are as follows:

(Amounts in PHP)	**2024**	2023	2022
Subsidiaries:			
Balance at beginning of year	**8,467,307,901**	8,319,287,326	8,322,606,141
Cash advance granted	**19,320,066**	152,987,138	195,699,544
Collections	**(224,888,965)**	(4,966,563)	(180,677,684)
Impairment loss	**-**	-	(18,340,675)
Balance at end of year	**8,261,739,002**	8,467,307,901	8,319,287,326
Other investees of shareholders:			
Balance at beginning of year	**1,673,339,845**	1,686,221,287	1,734,656,996
Collections	**(93,414,245)**	(91,188,873)	(75,149,896)
Cash advances granted	**61,182,459**	78,307,431	31,205,777
Impairment loss	**-**	-	(4,491,590)
Balance at end of year	**1,641,108,059**	1,673,339,845	1,686,221,287

The advances to related parties are unsecured, due and demandable any time and are generally payable in cash. Except for the advances to Camp John Hay Development Corporation (CJDEVCO) and Golforce, Inc., these advances are non-interest-bearing. The advances to CJDEVCO and Golforce, Inc. totalling P39.0 million and P46.5 million as at December 31, 2024 and 2023, respectively, bear annual interest of 16% in both years. Interest earned from these advances amounted to P4.8 million, P4.8 million and P4.3 million in 2024, 2023 and 2022, respectively, and is shown as part of Finance Income account in the statements of comprehensive income (see Note 18.1). The interest receivable from these advances amounting to P54.5 million, and P50.4 million as at December 31, 2024, and 2023, respectively, is shown as part of Interest receivable under the Trade and Other Receivables account in the statements of financial position (see Note 5).

In 2022, the Company's management assessed that certain advances to related parties were impaired. The impairment loss is presented as part of Finance Costs and Other Charges in the 2022 statements of comprehensive income (see Note 18.2). There was no impairment recognized for 2024 and 2023.

The Company also has unsecured and noninterest-bearing outstanding Advances to officers and employees which are presented under the Trade and Other Receivables account in the statements of financial position (see Note 5). These are settled through salary deduction or liquidation.

21.5 Advances from Related Parties

The Company obtains advances from a subsidiary and other related parties for working capital purposes. These advances are unsecured and are repayable in cash upon demand. Also, except for the advances from Megaworld, these advances are noninterest-bearing.

The outstanding advances from these related parties shown as Advances from Related Parties account in the statements of financial position are as follows:

(Amounts in PHP)	**2024**	2023
Parent company	**179,968,187**	169,856,198
Subsidiary	**160,266,871**	174,238,232
Other investees of shareholders	**84,041,448**	84,069,339
	424,276,506	428,163,769

A summary of transactions with these related parties are as follows:

(Amounts in PHP)	**2024**	2023	2022
Parent company:			
Balance at beginning of year	**169,856,198**	207,603,495	181,909,305
Cash advances obtained (paid)	**(23,610,436)**	(47,333,515)	16,535,318
Interest expense	**33,722,425**	9,586,218	9,158,872
Balance at end of year	**179,968,187**	169,856,198	207,603,495
Subsidiary:			
Balance at beginning of year	**174,238,232**	15,575,609	-
Cash advances obtained	**1,645,485**	158,662,623	15,575,609
Repayments	**(15,616,846)**	-	-
Balance at end of year	**160,266,871**	174,238,232	15,575,609
Other investees of shareholders:			
Balance at beginning of year	**84,069,339**	94,659,524	73,780,079
Repayments	**(150,393)**	(10,613,203)	(308,611)
Cash advances obtained	**122,502**	23,018	21,188,056
Balance at end of year	**84,041,448**	84,069,339	94,659,524

The advances from Megaworld bear annual interest of 6.0%. The interest expense incurred in 2024, 2023 and 2022 are presented as part of Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2).

The related unpaid interest amounting to P80.0 million and P71.3 million as at December 31, 2024 and 2023, respectively, is included as part of the Advances from Related Parties account in the statements of financial position.

21.6 Services

The Company obtains services from a related party for a fixed consideration. The amount of expenses incurred from such transaction is recorded as part of Management fees under the Other Operating Expenses account in the statements of comprehensive income (see Note 17). There were no outstanding payable related to this transaction.

21.7 Others

(a) Commission Expense

In the normal course of business, the Company pays commissions to Megaworld and MGEI for marketing services rendered with the purpose of increasing sales from the Company's projects.

The commissions are based on pre-agreed rates and are payable once a certain percentage of the contract price has been collected. Commissions incurred are presented as part of Commissions under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

The related outstanding payable is presented as part of Commission payable under Trade and Other Payables account in the statements of financial position (see Note 14).

The outstanding payables from these transactions are short-term, unsecured, noninterest-bearing and generally settled in cash upon demand.

(b) Commission Income

The Company provided marketing services to TLC to increase the latter's real estate sales. Total amount of commission income earned is included as Commission Income under Revenues account in the statements of comprehensive income. There are no outstanding receivables related to this transaction as at December 31, 2024 and 2023.

(c) Loans Obtained and Granted

The Company granted an unsecured interest-bearing loan to TLC amounting to P134.2 million, payable quarterly for five years until 2026, inclusive of two years grace period on principal repayment, with an interest rate of 6%. The outstanding loan receivables as of December 31, 2024, and 2023 amounted to P134.2 million and is presented as part of Trade and Other Receivables account in the statements of financial position (see Note 5). The related interest from these loans amounting to P8.1 million and P8.0 million is presented as part of Interest Income under Finance Income account in the statements of financial position (see Note 18.1).

The Company obtained unsecured, interest-bearing loans from Megaworld for its construction projects and working capital requirements in 2022 and 2021, respectively, amounting to a total of P2,000 million. The outstanding balance of the loans amounted to P1,000 million as of December 31, 2024 and 2023, and is presented as part of Interest-bearing Loans account in the statements of financial position (see Note 13). The related interest from these loans is presented as part of Inventories account in the statements of financial position (see Note 6) in 2023 and 2022, and part of Investment property account (see Note 12) in 2024.

(d) *Others*

The Company has control of funds amounting to P14.9 million and P11.6 million as at December 31, 2024 and 2023, respectively, that are held in trust by MGEI. These are included as part of the Cash and Cash Equivalents account in the statements of financial position (see Note 4).

21.8 Key Management Personnel Compensation

The Company's key management personnel compensation, which is presented as part of Salaries and employee benefits (see Note 19.1), includes the following:

(Amounts in PHP)	**2024**	2023	2022
Short-term benefits	**26,100,049**	24,277,531	22,990,622
Post-employment defined benefit	**5,504,360**	5,209,938	4,398,242
	31,604,409	29,487,469	27,388,864

21.9 Dividends Paid to the Parent Company

The Parent Company received dividends from the Company amounting to P102.1 million in 2023 (see Note 22.2). There were no similar transactions in 2024 and 2022.

21.10 Employee Stock Option Plan (ESOP)

Under the ESOP, the Company shall initially reserve for exercise of share options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant (see Note 22.3).

22. EQUITY

22.1 Capital Stock

Capital stock as of December 31, 2024 and 2023 consists for both years:

(Amounts in PHP)	Shares	Amount
Common shares – P1 par value Authorized	20,000,000,000	20,000,000,000
Issued and outstanding		
Balance at beginning and end of year	10,986,000,000	10,986,000,000

On November 23, 1995, the SEC approved the listing of the Company's common shares totaling 150.0 million. The shares were initially issued at an offer price of P19.50 per common share. As at December 31, 2024 and 2023, there are 4,128 and 4,152 holders of the listed shares, which closed at P0.64 per share and P0.95 per share, respectively.

The Company also made additional listings of 5.0 billion and 2.5 billion shares with offer prices at P1.00 per share and P2.26 per share January 20, 2012 and August 14, 2013, respectively.

22.2 Cash Dividends

On June 30, 2023, the BOD approved the declaration and distribution of cash dividends amounting to P124.1 million to all stockholders of record as of July 28, 2023 paid on August 23, 2023. There was no similar declaration in 2024 and 2022.

22.3 ESOP

On September 23, 2011, the BOD of the Company approved an Executive Stock Option Plan (the ESOP) for its key executive officers. This was approved on November 8, 2011 by stockholders holding at least 2/3 of the outstanding capital stock.

The purpose of the ESOP is to enable the key executives and senior officers of the Company, who are largely responsible for its further growth and development, to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The ESOP is being administered by the Executive Compensation Committee of the BOD.

Under the ESOP, the Company shall initially reserve for exercise of stock options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Stock options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for twelve months immediately preceding the date of grant. The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period. The Company shall receive cash for the stock options.

As of December 31, 2023, pursuant to this ESOP, the Company has granted the option to its key company executives to subscribe to 400.0 million shares of the Company. An option holder may exercise in whole or in part his vested option provided, that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 options have vested as at December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods. As at December 31, 2023, there are no remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The principal assumptions used in the valuation were shown below.

Grant dates	:	February 16, 2012, February 18, 2013 March 7, 2014, March 9, 2015, July 14, 2016
Vesting period ends	:	February 15, 2015, February 17, 2016, March 6, 2017, March 8, 2018, July 13, 2019
Option life	:	Seven years
Share price at grant dates	:	P2.10, P2.09, P1.60, P1.63, P1.02
Exercise price at grant dates	:	P1.93, P1.69, P1.50, P1.65, P1.00
Average fair value at grant dates	:	P2.27, P0.74, P0.42, P0.34, P0.24
Average standard deviation of share price returns	:	57.10%, 20.85%, 16.16%, 12.16%, 15.29%
Average risk-free investment rates	:	2.46%, 2.14%, 2.46%, 2.51%, 2.59%

The underlying expected volatility was determined by reference to historical date of the Company's shares over a period of time consistent with the option life.

23. EARNINGS PER SHARE

Earnings per share amounts were computed below.

(Amounts in PHP)	**2024**	2023	2022
Basic:			
Net profit for the year	**1,824,404,387**	1,786,212,655	1,695,221,252
Divided by weighted number of outstanding common shares	**10,986,000,000**	10,986,000,000	10,986,000,000
	0.166	0.163	0.155
Diluted:			
Net profit for the year	**1,824,404,387**	1,786,212,655	1,695,221,252
Divided by weighted number of outstanding common shares	**10,986,000,000**	11,012,712,329	11,036,000,001
	0.166	0.162	0.154

In relation to the approved ESOP for key executive officers, the remaining vested options exercisable by any of the option holders are considered as potentially dilutive shares. However, these are not exercisable any longer as at the end of the reporting periods 2023 and 2024.

24. COMMITMENTS AND CONTINGENCIES

24.1 Lease Commitments – Company as Lessor

The Company is a lessor under several operating leases covering real estate properties for commercial use and development rights (see Notes 11 and 12). The leases have lease terms ranging from one to five years, with renewal options, and include annual escalation rate of 5.0%. The average annual rental covering these agreements amounted to P141.7 million. Future minimum lease receivables under these agreements are presented below.

(Amounts in PHP)	**2024**	2023
Within one year	**164,755,985**	138,335,372
After one year but not more than two years	**147,528,756**	128,562,199
After two years but not more than three years	**132,487,037**	115,255,940
After three years but not more than four years	**134,926,413**	112,035,161
After four years but not more than five years	**137,736,432**	119,752,566
More than five years	**1,155,202,231**	1,241,627,135
	1,872,636,854	1,855,568,373

The undiscounted maturity analysis of finance lease receivable at December 31, 2024 and 2023 is as follows:

(Amounts in PHP)	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total**
December 31, 2024							
Lease collection	27,514,054	26,281,499	24,301,659	25,030,708	25,781,630	604,036,152	732,945,702
Interest income	(24,641,019)	(24,407,402)	(24,373,209)	(24,352,433)	(24,269,834)	(295,787,287)	(417,831,184)
Net present value	**2,873,035**	**1,874,097**	**(71,550)**	**678,275**	**1,511,796**	**308,248,865**	**315,114,518**
December 31, 2023							
Lease collection	26,846,871	27,514,054	26,281,499	24,301,659	25,030,708	629,817,782	759,792,573
Interest income	(24,829,545)	(24,641,019)	(24,407,402)	(24,373,209)	(24,352,433)	(320,057,121)	(442,660,729)
Net present value	2,017,326	2,873,035	1,874,097	(71,550)	678,275	309,760,661	317,131,844

24.2 Legal Claims

As at December 31, 2024 and 2023, the Company is a party to certain litigations arising from the normal course of business. No provision was recognized in the Company's financial statements because the ultimate outcome of these litigations cannot be presently determined. In addition, the Company's management believes that its impact in the financial statements, taken as a whole, is not material.

24.3 Others

There are other commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Company which are not reflected in the financial statements. The management of the Company is of the opinion that losses, if any, from these items will not have any material effect on their financial statements.

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to financial instruments. The Company's financial assets and financial liabilities by category are summarized in Note 26. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the BOD and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes. The relevant financial risks to which the Company is exposed to are described below and in the succeeding pages.

25.1 Market Risk

(a) Foreign Currency Risk

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates, however, arise from the Company's cash and cash equivalents which are denominated in U.S. dollars.

To mitigate the Company's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

U.S. dollar denominated financial assets, translated into Philippine pesos at the closing rates at end of 2024, 2023 and 2022, pertain to cash and cash equivalents amounting to P61.9 million, P19.5 million and P128.4 million, respectively. The Company has no U.S. dollar denominated financial liabilities in 2024, 2023 and 2022.

If the Philippine peso had strengthened against the U.S. dollar, profit before tax would have decreased by P9.7 million and P3.5 million in 2024 and 2023 respectively. If the Philippine peso had weakened against the U.S. dollar, then this would have increased profit before tax in 2024 and 2023 by the same amount. This sensitivity of the net result for the year assumes a +/- 15.65%, +/- 17.82% and +/- 18.88% change of the Philippine peso/U.S. dollar exchange rate for the years ended December 31, 2024, 2023 and 2022, respectively. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months for 2024 and 2023 estimated at 99.0% level of confidence. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the end of the reporting periods.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nonetheless, the analysis above is considered to be representative of the Company's foreign currency risk.

(b) Interest Rate Risk

As at December 31, 2024 and 2023, the Company is exposed to changes in market interest rates through its cash and cash equivalents and interest bearing loans, which are subject to variable interest rates (see Notes 4 and 13). All other financial assets and liabilities have fixed rates.

The sensitivity of the Company's profit before tax is analyzed based on reasonably possible change for the year to a reasonably possible change in interest rates of +/- 2.30%, +/- 3.59% and +/- 1.53% in 2024, 2023 and 2022, respectively. These changes are considered to be reasonably possible based on observation of current market conditions. The percentage changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months at a 99% confidence level. The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with effect estimated from beginning of the year. All other variables held constant, if the interest rate increased, profit before tax would have decreased by P133.3 million and P153.8 million in 2024 and 2023, respectively and increased by P3.8 million in 2022. Conversely, if the interest rates decreased by the same percentages, profit before tax would have been higher in 2024 and 2023 and lower in 2022 by the same amount.

25.2 Credit Risk

Credit risk is the risk when a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and related parties and by placing deposits.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets and contract assets are the carrying amounts of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

(Amounts in PHP)	Notes	**2024**	2023
Cash and cash equivalents	4	**1,470,493,602**	1,270,724,276
Installment contracts receivable – net	5	**7,802,273,807**	6,582,291,673
Finance lease receivable	5	**315,114,518**	317,131,844
Rental receivables	5	**380,511,495**	273,996,454
Other receivables	5	**842,816,618**	834,768,567
Contract assets	16.2	**2,548,204,714**	3,402,542,269
Advances to related parties	21.4	**9,902,847,061**	10,140,647,746
Advances to joint ventures	8	**205,127,522**	206,376,557
Refundable deposits	7	**72,913,412**	69,298,728
		23,540,302,749	23,097,778,114

(a) *Cash and Cash Equivalents*

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

As part of Company policy, bank deposits are only maintained with reputable financial institutions. Cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under R.A. No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*, are still subject to credit risk. Effective March 15, 2025, the PDIC increased the maximum coverage to P1.0 million per depositor per banking institution.

With respect to cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance for impairment will be based on the lifetime ECL. The Company uses the ratings from Standard and Poor's to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

As of December 31, 2024, and 2023, there were no impairment losses recognized on the Company's cash and cash equivalents.

(b) Trade and Other Receivables and Contract Assets

Credit risk of receivables from sale of real estate properties is managed primarily through credit reviews and analyses of receivables on a regular basis. The Company undertakes credit review procedures for all installment payment terms. Customer payments are facilitated through the use of post-dated checks. Exposure to doubtful accounts is not substantial as title to real estate properties are not transferred to the buyers until full payment of the amortization has been made and the requirement for remedial procedures is negligible considering the Company's buyers' profile.

The Company has used the simplified approach in measuring ECL and has calculated ECL based on lifetime ECL. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking information specific to the buyers and the economic environment.

The Company considers trade receivables in default when contractual payment is 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. Furthermore, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The provision rate based on days past due of all customers as they have similar loss patterns. The credit enhancements such advance payment and value of the real estate for sale are considered in the calculation of impairment as recoveries.

The management determined that there is no required ECL to be recognized since the real estate sold is collateralized to the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient.

Other components of receivables such as rental receivables are also evaluated by the Company for impairment. Rental receivables are secured to the extent of advance rental and security deposit received from the lessees, which are in average equivalent to six months.

The estimated fair value of collateral and other security enhancements held against installment contract receivables, contract assets and rent receivables are presented below.

(Amounts in PHP)	**Gross Maximum Exposure**	**Fair Value of Collaterals**	**Net Exposure**
December 31, 2024			
Installment contracts receivable – net	7,802,273,807	16,424,780,723	-
Contract assets	2,548,204,714	5,106,990,764	-
Rent receivables	380,511,495	86,934,905	293,576,590
	10,730,990,016	**21,618,706,392**	**293,576,590**
December 31, 2023			
Installment contracts receivable – net	6,582,291,673	12,349,553,567	-
Contract assets	3,402,542,269	7,817,095,582	-
Rent receivables	245,336,095	82,216,882	163,119,213
	10,230,170,037	20,248,866,031	163,119,213

Some of the unimpaired trade and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented below.

(Amounts in PHP)	**2024**	2023
Current (not past due)	**8,850,441,244**	7,529,466,676
Past due but not impaired:		
More than one month but not more than three months	**64,313,577**	93,518,312
More than three months but not more than six months	**136,776,539**	65,677,702
More than six months but not more than one year	**283,929,894**	302,965,894
	9,335,461,254	7,991,628,584

(c) *Advances to Related Parties and Advances to Joint Ventures*

ECL for Advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. For the year ended December 31, 2023 and 2024, no additional impairment loss was recognized. Accordingly, impairment loss amounting to P22.8 million for the year ended December 31, 2022 is recognized and is presented as part of Finance Costs and Other Charges account in the statements of comprehensive income (see Note 18.2). The allowance for impairment as of December 31, 2024, 2023 and 2022 amounted to P96.2 million.

The Company does not consider any significant risks in the remaining advances to related parties since Megaworld and other related parties, whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of AGI's long-term corporate strategy.

In addition, there is also no significant risks in the advances joint ventures as these are advances to joint venturers in the Company's certain real estate projects which are set-off against the joint venturer's share in the collections of receivables pertaining to such projects. As of December 31, 2024 and 2023, impairment allowance is not material.

25.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits, or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's financial liabilities have contractual maturities which are presented below.

		Current		**Non-current**	
(Amount in PHP)	Notes	**Within 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Beyond 5 Years**
December 31, 2024:					
Interest-bearing loans	13	861,634,833	1,074,543,927	5,205,001,315	1,174,118,356
Trade and other payables	14, 15	977,921,941	81,138,116	-	375,422,853
Advances from related parties	21	-	424,276,506	-	-
Lease liabilities	11	34,343,702	34,343,701	143,220,507	269,900,961
		1,873,900,476	**1,614,302,250**	**5,348,221,822**	**1,819,442,170**
December 31, 2023:					
Interest-bearing loans	13	868,173,763	665,031,916	6,080,928,721	346,513,607
Trade and other payables	14, 15	763,493,951	65,775,014	-	327,861,386
Advances from related parties	21	-	437,749,987	-	-
Lease liabilities	11	34,343,702	34,343,701	143,220,507	663,229,876
		1,666,011,416	1,202,900,618	6,224,149,228	1,337,604,869

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

	2024		2023	
(Amounts in PHP)	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	**1,470,493,602**	**1,470,493,602**	1,270,724,276	1,270,724,276
Trade and other receivables –net	**9,335,461,255**	**9,335,461,255**	8,008,188,538	8,008,188,538
Advances to related parties	**9,902,847,061**	**9,902,847,061**	10,140,647,746	10,140,647,746
Advances to joint ventures	**205,127,522**	**205,127,522**	206,376,557	206,376,557
Refundable deposits	**72,913,412**	**72,913,412**	69,298,728	69,298,728
	20,986,842,852	**20,986,842,852**	19,695,235,845	19,695,235,845
Financial Liabilities				
Financial liabilities at amortized cost:				
Trade and other payables	**1,434,482,910**	**1,434,482,910**	1,157,130,351	1,157,130,351
Interest-bearing loans	**8,315,298,431**	**8,254,177,574**	6,677,615,765	5,671,566,832
Advances from related parties	**424,276,506**	**424,276,506**	428,163,769	428,163,769
Lease liabilities	**481,808,871**	**481,808,871**	541,802,790	541,802,790
	10,655,866,718	**10,594,745,861**	8,804,712,675	7,798,663,742

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 25.

26.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders or upon instruction by the parent company. As such, the Company's outstanding advances to related parties amounting to P9,902.8 million and P10,140.6 million can be offset by the number of outstanding advances from related parties amounting to P424.3 million and P428.2 million as at December 31, 2024 and 2023, respectively (see Note 21).

The Company has cash in a certain local bank to which it has an outstanding loan (see Note 13). In case of the Company's default on loan amortization, cash in bank amounting to P1,369.8 million and P1,020.7 million as of December 31, 2024 and 2023, respectively, can be applied against its outstanding loan amounting to P7,070.7 million and P6,677.6 million as of December 31, 2024 and 2023, respectively.

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The levels of fair value hierarchy are shown below.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

27.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below and in the succeeding page summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the 2024 and 2023 statements of financial position but for which fair value is disclosed.

(Amounts in PHP)	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2024:				
Financial Assets:				
Cash and cash equivalents	1,470,493,602	-	-	1,470,493,602
Trade and other receivables - net	-	-	9,335,461,254	9,335,461,254
Advances to related parties	-	-	9,902,847,061	9,902,847,061
Advances to joint ventures	-	-	205,127,522	205,127,522
Refundable deposits	-	-	72,913,413	72,913,413
	1,470,493,602	**-**	**19,516,349,250**	**20,986,842,852**
Financial Liabilities:				
Trade and other payables	-	-	1,433,857,915	1,433,857,915
Interest-bearing loans	-	-	8,254,177,574	8,254,177,574
Advances from related parties	-	-	424,276,506	424,276,506
Lease liabilities	-	-	481,808,871	481,808,871
	-	**-**	**10,594,120,866**	**10,594,120,866**

(Amounts in PHP)	Level 1	Level 2	Level 3	Total
December 31, 2023:				
Financial Assets:				
Cash and cash equivalents	1,270,724,276	-	-	1,270,724,276
Trade and other receivables - net	-	-	7,991,628,587	7,991,628,587
Advances to related parties	-	-	10,140,647,746	10,140,647,746
Advances to joint ventures	-	-	206,376,557	206,376,557
Refundable deposits	-	-	69,298,728	69,298,728
	1,270,724,276	-	18,407,951,618	19,678,675,894
Financial Liabilities:				
Trade and other payables	-	-	1,157,130,351	1,157,130,351
Interest-bearing loans	-	-	5,671,566,832	5,671,566,832
Advances from related parties	-	-	428,163,769	428,163,769
Lease liabilities	-	-	541,802,790	541,802,790
	-	-	7,798,663,742	7,798,663,742

The fair values of the financial assets and liabilities included in Level 3, which are not traded in an active market are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

27.3 Investment Property Measured at Cost for which Fair Value is Disclosed

In estimating the fair value of the Company's investment property, management takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use. Based on management assessment, the best use of the Company's investment property is its current use. The fair value of the investment property was determined based on the following approaches:

(i) Fair Value Measurement for Land

The Level 3 fair value of land was derived through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

(ii) Fair Value Measurement for Building and Improvements

The fair value of the Company's building and improvements, which are classified under Level 3 of the fair value hierarchy, is determined by calculating the present value of the cash inflows anticipated until the end of the life of the investment property using a discount rate applicable to these assets.

The breakdown of Investment Properties at its fair market value are as follows:

(Amount in PHP)	**2024**	2023
Building and improvements	**2,201,309,895**	2,461,875,511
Land and land improvement	**8,691,930,343**	8,691,930,343
Construction in progress	**1,232,969,842**	-
	12,126,210,080	11,153,805,854

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company also monitors its debt coverage ratio (DCR) and current ratio as required by its loan obligations (see Note 13). The Company has complied with its covenant obligations, including maintaining the required DCR and current ratio.

The Company also monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized below.

(Amount in PHP)	**2024**	2023 [As restated – see Note 2.1(c)]
Total Liabilities	**13,681,662,383**	13,030,264,571
Total Equity	**35,048,560,219**	34,332,595,895
Debt-to-equity	**0.39:1:00**	0.38:1:00

The corresponding requirement of the debt-to-equity ratio on December 31 of each year shall not be more than 2:1.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Company's liabilities arising from financing activities.

(Amount in PHP)	**Interest-bearing Loans** (See Note 13)	**Advances from Related Parties** (See Note 21.5)	**Lease Liabilities** (See Note 11) [As Restated – see Note 2.1(c)]	**Total**
Balance as of January 1, 2024				
As previously reported	6,677,615,765	428,163,769	407,592,359	7,513,371,893
Effect of restatement	-	-	134,210,431	134,210,431
As restated	6,677,615,765	428,163,769	541,802,790	7,647,582,324
Cash flows from financing activities:				
Additional borrowings	1,500,000,000	1,767,987	-	1,501,767,987
Repayments of borrowings	(1,106,950,480)	(39,377,675)	(73,247,276)	(1,219,575,431)
Non-cash financing activities:				
Offsetting	-	-	(26,846,871)	(26,846,871)
Interest expense	-	33,722,425	-	33,722,425
Interest amortization on lease liabilities	-	-	40,100,228	40,100,228
Balance as of December 31, 2024	**7,070,665,285**	**424,276,506**	**481,808,871**	**7,976,750,662**
Balance as of January 1, 2023				
As previously reported	5,539,215,676	317,838,628	442,785,022	6,299,839,326
Effect of restatement	-	-	143,611,189	143,611,189
As restated	5,539,215,676	317,838,628	586,396,211	6,443,450,515
Cash flows from financing activities:				
Additional borrowings	3,500,000,000	158,685,641	-	3,658,685,641
Repayments of borrowings	(2,361,599,911)	(57,946,718)	(63,298,379)	(2,482,845,008)
Non-cash financing activities:				
Offsetting	-	-	(26,199,114)	(26,199,114)
Interest expense	-	9,586,218	-	9,586,218
Interest amortization on lease liabilities	-	-	42,272,050	42,272,050
Pre-termination of lease	-	-	2,632,022	2,632,022
Balance as of December 31, 2023	6,677,615,765	428,163,769	541,802,790	7,647,582,324
Balance as of January 1, 2022				
As previously reported	5,676,470,580	255,689,384	471,942,785	6,404,102,749
Effect of restatement	-	-	121,521,557	121,521,557
As restated	5,676,470,580	255,689,384	593,464,342	6,525,624,306
Cash flows from financing activities:				
Additional borrowings	1,000,000,000	53,298,983	-	1,053,298,983
Cash advances obtained				
Repayments of borrowings	(1,137,254,904)	(308,611)	(56,978,876)	(1,194,542,391)
Non-cash financing activities:				
Offsetting	-	-	(25,570,235)	(25,570,235)
Interest expense	-	9,158,872	-	9,158,872
Interest amortization on lease liabilities	-	-	44,081,428	44,081,428
Balance as of December 31, 2022	5,539,215,676	317,838,628	554,996,659	6,412,050,963

30. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information which is required by the BIR under its existing Revenue Regulations (RR) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

The information on taxes, duties and license fees paid or accrued during the taxable year 2024 required under RR No. 15-2010 is as follows:

(a) Output VAT

In 2024, the Company declared output VAT as follows:

(Amounts in PHP)	**Tax Base**	**Output VAT**
Real estate sales:		
Taxable sales	2,170,030,204	260,403,625
Exempt sales	14,005,864	-
Rental income and management and marketing income	441,887,393	53,026,487
	2,625,923,461	**313,430,112**

The Company's exempt sales/receipts were determined pursuant to Section 109, *VAT Exempt Transactions*, of the 1997 National Internal Revenue Code, as amended.

The tax base is included as part of Real Estate Sales, Rental Income, Management and Marketing Income and Others in the statement of comprehensive income for the year ended December 31, 2024 and are based on the Company's gross receipts until the effectivity of RR No. 03-2024 on April 27, 2024. Subsequently, the accrual method was used; hence, the tax base may not be same with the amount presented in the 2024 statement of comprehensive income.

The outstanding output VAT payable amounting to P8,365,308 as of December 31, 2024 is presented as part of Others under Trade and Other Payables account in the 2024 statement of financial position.

(b) Input VAT

The movement in input VAT for year ended December 31, 2024 is summarized below.

(Amounts in PHP)

Balance at beginning of year	-
Services lodged under other accounts	185,007,901
Goods other than for resale or manufacture	52,371,344
Capital goods subject to amortization	1,812,397
Capital goods not subject to amortization	205,269
Deferred input VAT on capital goods subject to amortization	11,360
Applied against exempt sales	(1,318,726)
Applied against output VAT	(238,089,545)
Balance at end of year	**-**

Unamortized input VAT amounted to P8.7 million as of December 31, 2024 and is presented under Prepayments and Other Current Assets account in the 2024 statement of financial position.

(c) Taxes on Importation

The Company did not have any importations for the year ended December 31, 2024; hence, there was no payment of customs duties and tariff fees.

(d) Excise Tax

The Company did not have any transactions in 2024, which are subject to excise tax.

(e) Documentary Stamp Tax (DST)

DST paid and accrued in 2024 is presented below.

(Amounts in PHP)

Loan instruments	11,250,000
Others	9,434,970
	20,684,970

(f) *Taxes and Licenses*

The details of taxes and licenses in 2024 are as follows:

(Amounts in PHP)

DST	20,684,970
Business and local taxes	16,787,168
Real property taxes	4,277,703
Community tax certificate	16,047
Capital gains tax	7,500
Others	32,926
	41,806,314

(g) *Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2024, are shown below.

(Amounts in PHP)

Expanded	78,371,173
Compensation and employee benefits	36,030,035
Final withholding tax	200,000
	114,601,208

(h) *Deficiency Tax Assessments and Tax Cases*

In 2024, the Company has paid deficiency taxes on all Internal Revenue taxes totalling to P7,512,349, inclusive of P8,267 interest and P75,000 in penalties and surcharges related to the taxable year 2022 as part of Miscellaneous under operating expenses in the 2024 statement of comprehensive income. As of December 31, 2024, the Company does not have any other final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Global-Estate Resorts, Inc. (the Company) for the year ended December 31, 2024, on which we have rendered our report dated March 21, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Reconciliation of Retained Earnings Available for Dividend Declaration for the year ended December 31, 2024 is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10465902, January 2, 2025, Makati City
BIR AN 08-002551-045-2023 (until January 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until August 12, 2027)

March 21, 2025

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024

Unappropriated Retained Earnings at Beginning of Year			P	10,265,455,818
Add: <u>Category A</u>: **Items that are directly credited to Unappropriated Retained Earnings**				
Reversal of Retained Earning Appropriation/s	P	-		
Effect of restatements or prior-period adjustments		-		
Others		-		-
Less: <u>Category B</u>: **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		(1,112,149,793)		
Others		-		(1,112,149,793)
Unappropriated Retained Earnings at Beginning of Year, as adjusted				9,153,306,025
Add/Less: Net Income (Loss) for the Current Year				1,824,404,388
Less: <u>Category C.1</u>: **Unrealized income recognized in the profit or loss during the reporting period (net of tax)**				
Equity in net income of associate/joint venture, net of dividends declared		(586,458,802)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		-		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		-		
Unrealized fair value gain of investment property		-		
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS		(280,104,062)		
Sub-total				(866,562,864)
Add: <u>Category C.2</u>: **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 FVTPL		-		
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 the PFRS		40,666,804		
Sub-total				40,666,804
Add: <u>Category C.3</u>: **Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**				
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		-		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL		-		
Reversal of previously recorded fair value gain of investment property		-		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-		
Sub-total				-
Balance carried forward				
Adjusted Net Income/Loss				10,151,814,353

Balance brought forward

Adjusted Net Income/Loss			10,151,814,353
Add: **<u>Category D</u>: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)**			
Depreciation on revaluation increment (after tax)	-		
Sub-total			-
Add/ Less: <u>Category E</u>: Adjustments related to relief granted by the SEC and BSP			
Amortization of the effect of reporting relief	-		
Total amount of reporting relief granted during the year	-		
Others	-		
Sub-total			-
Add/ Less: <u>Category F</u>: Other items that should be excluded from the determination of the amount of available for dividends distribution			
Net movement of treasury shares (except for reacquisition of redeemable shares)	-		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(6,141,509)		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-		
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-		
Others	-		
Sub-total			(6,141,509)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P**	**10,145,672,844**

GERI

Myrbien C. Flores <mcflores@global-estate.ph>

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1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Fri, Apr 11, 2025 at 12:28 PM
To: GENERAL.ACCOUNTING@global-estate.ph
Cc: CRSTARITA@global-estate.ph

Hi GLOBAL-ESTATE RESORTS, INC.,

Valid files

- EAFS000426523TCRTY122024-03.pdf
- EAFS000426523ITRTY122024.pdf
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- EAFS000426523TCRTY122024-01.pdf
- EAFS000426523TCRTY122024-02.pdf
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Transaction Code: **AFS-0-9GLECGFA0P32MV1SVNXRQY3ZQ02SQPS1SP**
Submission Date/Time: **Apr 11, 2025 12:28 PM**
Company TIN: **000-426-523**

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

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GLOBAL-ESTATE RESORTS, INC.

SEC Sustainability Report 2024

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Contextual Information

Name of Organization	**Global-Estate Resorts Inc. (GERI)**
Location of Headquarters	9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City, Metro Manila
Location of Operations	Global-Estate Resorts, Inc. ("GERI", "Company", "Its") operates in the Philippines, with key developments in Las Piñas City, Boracay Island, Batangas, Cavite, Rizal, Laguna, Iloilo, and Pasig City.
Report Boundary *Legal Entities (e.g. Subsidiaries) included in this Report*	Among the Company's subsidiaries are the following joint venture corporations: • **Twin Lakes Corporation ("TLC")** Incorporated March 2, 2011 to develop Twin Lakes in Laurel, Batangas • **Oceanfront Properties, Inc. ("OPI")** Incorporated October 12, 2010 to develop parts of Boracay Newcoast • **Southwoods Mall, Inc. ("SMI")** Incorporated July 18, 2013 to develop the Southwoods Mall and Office Towers in Southwoods City • **Megaworld Global-Estate, Inc. ("MGEI")** Incorporated March 14, 2011 to market GERI's estate developments The Company's hotel developments in Boracay and Twin Lakes are operated by the following subsidiaries: • **Twin Lakes Hotel, Inc.** Incorporated September 28, 2018 • **Savoy Hotel Boracay, Inc.** Incorporated January 24, 2017 • **Belmont Hotel Boracay, Inc.** Incorporated March 18, 2019 • **Fil-Estate Urban Development Corporation** Incorporated March 6, 2000 For FY 2024, Fairways and Bluewater Boracay was excluded from the scope as it is not managed by GERI.
Business Model, including Primary Activities, Brands, Products, and Services	GERI is a subsidiary of Megaworld Corporation and a developer of integrated tourism estates and integrated lifestyle communities. The Company targets the A and B markets with special niche products consisting of residential, commercial, and leisure components. GERI covers the following key developments: • Alabang West in Las Piñas, Metro Manila • Arden Botanical Estate in Trece and Tanza, Cavite • Boracay Newcoast in Malay, Aklan • Eastland Heights in Antipolo City, Rizal • Lialto Beach and Golf Estates I Project in Lian, Batangas • Sherwood Hills in Trece Martirez, Cavite • Southwoods City in Laguna and Cavite • Sta. Barbara Heights in Iloilo • The Fifth in Pasig City, Metro Manila • The Hamptons Caliraya in Lumban-Cavinti, Laguna • Twin Lakes in Laurel, Batangas
Reporting Period	January 1, 2024 - December 31, 2024

Highest Ranking Person responsible for this report	**Atty. Monica T. Salomon** President and Director **Cyril D. Camarines** Environmental Health & Safety Head

Sustainability Strategy

GERI's Sustainability Strategy is built on a clear vision: to uplift lives, positively impact society, and help shape the nation through integrated tourism estates – all while advocating for responsible stewardship of the environment. The Company's strategy reflects its core beliefs—integrity, creativity, excellence, and a deep commitment to both people and the planet. By integrating sustainability into every facet of its operations, GERI not only meets today's challenges but also creates a resilient foundation for future growth.

Aligned with the Alliance Global, Inc. (AGI) SustainAGIlity Framework, GERI has evolved its sustainability strategy to encompass three interdependent pillars which organize material topics into three overarching pillars—People, Planet, and Prosperity—to guide long-term sustainable value creation.

Pillar 1: People

GERI recognizes that a thriving workforce and engaged communities are essential for long-term success. Through initiatives focused on employee wellness, training and education, and community transformation, the Company fosters a culture where every stakeholder is valued. Its core belief is that when people thrive, the entire organization flourishes. Programs aimed at enhancing workplace safety, promoting diversity and equal opportunity, and ensuring robust customer care are central to this pillar.

Employee Wellness & Empowerment

- **Employees and Customers, Training and Education, Workforce Health and Safety**
  - *GERI invests in comprehensive training programs, robust occupational health and safety measures, and well-being initiatives that foster a resilient workforce.*
  - *These efforts help ensure employee satisfaction, higher retention rates, and improved customer experience.*

Community Transformation

- **Local Communities**
  - *GERI emphasizes meaningful stakeholder engagement with communities, addressing local needs through CSR initiatives and sustainable development.*

- *By prioritizing community welfare, the Company strengthens its social license to operate.*

Customer Care

- **Customer Health and Safety**
  - *Through continuous product improvements and safety standards, GERI ensures its properties and facilities meet or exceed regulatory and client expectations.*
  - *The Company's customer-centric approach enhances brand trust and loyalty.*

Pillar 2: Planet

Committed to minimizing its ecological footprint, GERI pursues a proactive approach to environmental stewardship. Under this pillar, efforts to achieve carbon neutrality—through the reduction of emissions and the adoption of renewable energy—are complemented by initiatives in resource efficiency and sustainable design. GERI's sustainability strategy is rooted in the understanding that preserving natural ecosystems and responsibly managing resources are critical to sustaining the communities where the Company operates.

Carbon Neutrality

- **Emissions**
  - *GERI focuses on reducing greenhouse gas emissions through renewable energy adoption, energy-efficient technologies, and regular monitoring of carbon footprint.*
  - *Aligns with the parent company's broader climate goals, including net-zero targets.*

Resource Efficiency

- **Energy, Water, Waste, Materials, Biodiversity**
  - *The Company adopts rigorous measures for energy conservation, water management, responsible waste disposal, sustainable material sourcing, and biodiversity protection.*
  - *Initiatives include installing renewable energy infrastructure, optimizing resource usage, and complying with environmental regulations [e.g., Expanded National Integrated Protected Areas System (ENIPAS) Act (RA 11038) and PD 1569 Philippine Environmental Impact Statement System (PEISS)].*

Sustainable Design

- **Land Use and Green Infrastructure, Climate Adaptation and Resilience**
  - *GERI incorporates eco-friendly designs in its master-planned developments, ensuring resilience against climate risks (e.g., floods, typhoons, and earthquakes).*
  - *Emphasis on green spaces and infrastructure that integrate seamlessly with local ecosystems and communities.*

Pillar 3: Prosperity

Economic performance remains a cornerstone of GERI's strategy. By leveraging digital transformation, enhancing market presence, and ensuring sound financial management, the Company drives economic resilience while fostering local and national economic growth. Good governance practices and strategic investments in innovative business models ensure that GERI not only meets current financial targets but also builds a competitive, future-ready organization.

Impact Growth

- **Economic Performance, Market Presence, Digitalization**
  - *GERI ensures stable revenue streams and fosters local economic development by expanding market presence and leveraging digital platforms.*
  - *Continuous innovation and digital transformation optimize operational efficiency, boosting competitiveness.*

Good Governance

- **Enterprise Risk Management, Business Ethics and Integrity, Vendor Accreditation**
  - *Robust governance structures underpin transparent financial reporting, ethical sourcing, and compliance with relevant laws.*

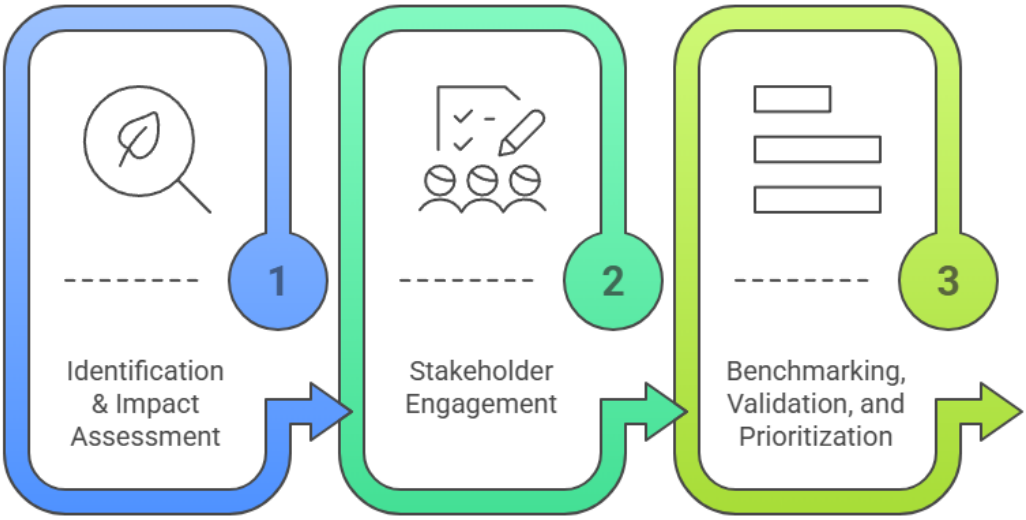
- *Vendor accreditation processes ensure that suppliers meet GERI's standards on quality, sustainability, and ethical conduct.*

Materiality Process

Understanding what matters most is at the center of GERI's sustainability journey. The Materiality Process is not just a reporting exercise; it is a strategic mechanism that helps the Company identify, assess, and manage its significant economic, environmental, and social impacts. Grounded in best practices and aligned with internationally recognized frameworks such as the GRI Standards, GERI's approach ensures transparency, accountability, and continuous improvement in its operations.

In the previous year's report, GERI conducted a comprehensive assessment of its material topics. The process began with identifying and assessing a wide range of topics—capturing both positive outcomes (actual impacts) and potential negative risks. GERI engaged with internal stakeholders, including management across different departments, to ensure that the identified topics reflected genuine concerns and opportunities for long-term value creation.

Key steps in the process included:



- **Identification & Impact Assessment:** A thorough review of topics that influence the economy, environment, and society. Positive impacts are recognized as achievements already experienced, while potential risks are flagged for proactive management.
- **Stakeholder Engagement:** Multiple channels of consultation ensure that feedback is integrated into decision-making, reinforcing GERI's commitment to inclusiveness and responsive management.
- **Benchmarking, Validation, and Prioritization:** By comparing its topics against industry standards and historical performance, and validating them with the Green Council and senior management, GERI refines a materiality matrix that prioritizes issues based on their impact and stakeholder relevance.

This process is driven by GERI's belief that sustainability reporting is more than compliance—it is about understanding the "whys" behind its actions and ensuring that every business decision contributes positively to society, the environment, and the economy.

Unified Impact: An ESG Blueprint

Building on GERI's previous sustainability disclosures, the Company re-evaluated and refined its material topics to enhance clarity and comprehensiveness, aligning them clearly under the SustainAGIlity Pillars—People, Planet, and Prosperity.

Specifically, "Occupational Health and Safety" has been refined to "Workforce Health and Safety," signifying a more holistic approach toward employee welfare beyond traditional occupational safety measures.

Moreover, the previously combined material topic "Energy, Water, and Waste" has now been separated into distinct topics—Energy, Water, and Waste—to reflect a deeper focus and more targeted management strategies for each area.

Under the Planet pillar, Land Use and Green Infrastructure and Climate Adaptation and Resilience, while previously discussed in past reports, are now clearly articulated as separate and distinct material topics, reflecting their growing strategic significance in managing environmental impacts and climate-related risks.

Lastly, under the Prosperity pillar, topics such as Enterprise Risk Management, Business Ethics and Integrity, and Vendor Accreditation, have now been distinctly identified as standalone material topics. This step emphasizes their critical importance to sustainable economic performance and strong governance.

Below is the updated and expanded mapping of GERI's material topics organized under the SustainAGIlity Pillars:

PEOPLE	PLANET	PROSPERITY
• Employees and Customers • Training and Education • **Workforce** Health and Safety • Local Communities • Customer Health and Safety	• Emissions • Energy • Materials • Water • Waste • Blodiversity • **Land Use and Green Infrastructure** • **Climate Adaptation and Resilience**	• Economic Performance • Market Presence • Digitalization • **Enterprise Risk Management** • **Business Ethics and Integrity** • **Vendor Accreditation**
		

These refinements reinforce GERI's commitment to transparent reporting, targeted sustainability interventions, and effective ESG management, enabling stronger alignment with stakeholder expectations and improved long-term value creation.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

GERI continues to commit to the United Nations Sustainable Development Goals ("SDGs"). By aligning its projects with the seventeen (17) goals, the Company focused on tackling climate change, promoting equality, and fostering sustainable growth. From clean energy solutions to community education, GERI's efforts inspired others to join the global movement, proving that collective action can create a more sustainable and equitable world.

The Company offers two flagship products and services: **Integrated Tourism Estates and Lifestyle Communities**, which provide sustainable, master-planned developments that promote community engagement and environmental stewardship, and **Hotel and Commercial Services**, which focus on delivering premium hospitality and retail experiences while integrating energy-efficient and eco-friendly solutions.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Employees and Customers: GERI upholds equality and non-discrimination in the recruitment of its workforce, recognizing that a diverse team provides broader perspectives for its business growth.	**GRI 401:** Employment **GRI 402:** Labor-Management Relations **GRI 405:** Diversity and Equal Opportunity **GRI 406:** Non-discrimination **GRI 408:** Child Labor **GRI 409:** Forced or Compulsory Labor	• Equitable hiring and diversity programs • Employee engagement and well-being initiatives • Service excellence	• Unconscious biases in hiring • Workplace culture changes • Customer service pressures	• Unbias hiring • Employee wellness programs • Change management strategies	

	GRI 410: Security Practices				
Training and Education: Investing in employee development fosters a highly skilled workforce that forwards GERI's position as a leader in sustainable and innovative real estate solutions.	**GRI 404:** Training and Education	• Learning and development programs • Skills and training sessions • Leadership summit	• Disparities in training access • Rapid skill shifts • Exclusion of non-participants	• Equal training access • Continuous learning frameworks • Inclusive leadership	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Workforce Health and Safety: Maintaining a safe and healthy work environment reduces business disruptions and protects GERI's workforce from hazards and accidents.	**GRI 403:** Occupational Health and Safety	• Quarterly emergency drills • Fire protection & fire safety awareness • First aid training and basic life support	• Non-compliance with safety protocols • Training costs	• Frequent audits • Mandatory safety training	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Local Communities: Strong community engagement enhances GERI's promotes strong connections with the Company's surrounding communities and creates a positive social impact.	**GRI 413:** Local Communities	• Community partnerships • CSR programs (blood drives and other community programs) • **Project Halina** - Experience Nature Project	• Risk of community dependency on corporate support	• Long-term community development strategies	1 NO POVERTY 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
Customer Health and Safety: Strict standards in product and service safety protect customers, minimize liability risks, and	**GRI 416:** Customer Health and Safety **GRI 417:** Marketing and	• Product and service quality checks	• High compliance costs • Certification barriers	• Cost-benefit analysis • Regulatory alignment	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

strengthen brand trust, which are crucial for sustaining customer loyalty and business success.	Labeling **GRI 418:** Customer Privacy				
Emissions: GERI actively monitors and tracks its emissions sources and aggressively utilized renewable energy as part of its commitment to Net Zero operations.	**GRI 305:** Emissions	• Utilization of e-vehicles • Tree planting activities	• Limited charging infrastructure • Tree survival rates	• Investment in EV infrastructure • Sustainable forestry partnerships	
Energy: Efficient energy management reduces operational costs and drives operational excellence.	**GRI 302:** Energy	• Earth Hour Celebration • Solar-powered lights	• Limited long-term impact of single-day events • Maintenance challenges	• Year-round energy conservation initiatives • Robust maintenance tracking	
Water: GERI monitors water usage and continuously maintains and upgrades its water facilities to promote responsible resource management.	**GRI 303:** Water and Effluents	• Efficient and sustainable water distribution utility	• High initial investment costs	• Cost-sharing models for water infrastructure	
Waste: Effective waste management reduces environmental impact and ensures compliance to waste disposal practices.	**GRI 306:** Waste	• Waste reduction and recycling programs • Coastal cleanup drives • Vermicomposting	• Challenges in changing consumer waste habits • Operational difficulties	• Educational waste programs • Cleanup incentives • Scalable composting models	

Biodiversity: GERI upholds the Philippine NIPAS Act to safeguard ecosystems, minimize environmental risks, and promote responsible land development.	**GRI 304:** Biodiversity	• Turtle Hatching	• Disruptions due to habitat interventions	• Biodiversity impact assessments and monitoring	14 LIFE BELOW WATER 15 LIFE ON LAND
Materials: Sustainable sourcing and efficient material use lower costs, minimize resource consumption, and promote circular economy principles of everyday materials.	**GRI 301:** Materials	• Sustainable sourcing	• Supply chain complexities	• Supplier training • Sustainability incentives	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Land Use and Green Infrastructure: The Company puts a priority in integrating green infrastructure and sustainable land-use planning into its developments to enhance climate resilience and improve community livability.	**GRI 304:** Biodiversity and Land Use	• Green spaces and sustainable design	• High costs and space requirements	• Urban planning integration • Climate resilience planning	11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND 13 CLIMATE ACTION
Climate Adaptation and Resilience: A proactive approach to climate resilience ensures the long-term stability of GERI's assets and operations, mitigating risks from extreme	**GRI 305:** Emissions	• Disaster risk mitigation • Climate awareness campaigns	• Difficulties in fully predicting climate risks	• Advanced modeling • Targeted education strategies	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION

weather events amid the changing climate.					
Economic Performance: Financial stability and strategic growth planning enable GERI to attract investors, fund sustainable developments, and maintain market leadership amid economic fluctuations.	**GRI 201:** Economic Performance **GRI 203:** Indirect Economic Impacts **GRI 207:** Tax	• Strategic business planning	• Economic downturns affecting planning effectiveness	• Scenario-based strategic planning	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
Market Presence: GERI prioritizes local recruitment to strengthen its market positioning and improve business-community relationships with the community.	**GRI 202:** Market Presence	• Local hiring and recruitment • Brand presence	• Limited job market diversity • Market saturation	• Diversity recruitment programs • Brand differentiation strategies	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Digitalization: The adoption of digital solutions enhances efficiency, improves customer experience, and positions GERI as a forward-thinking real estate developer in an increasingly tech-driven market.	N/A	• Paperless operations • Automated workflows	• Resistance to adopting digital workflows • Cybersecurity risks	• Training and gradual transition • Cybersecurity investments	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Enterprise Risk Management: GERI utilizes a structured risk management framework in order to identify and mitigate risks.	N/A	• Business continuity	• Difficulty in ensuring full compliance	• Compliance audits and corrective actions	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES

Business Ethics and Integrity: Ethical business practices promote trust among investors, customers, and regulators, reducing legal and reputational risks while strengthening corporate governance.	**GRI 205:** Anti-Corruption **GRI 206:** Anti-Competitive Behavior **GRI 415:** Public Policy	• Anti-corruption training • Compliance to corporate governance policies	• Challenges in measuring anti-corruption effectiveness • Compliance costs	• Independent anti-corruption assessments • Policy updates	
Vendor Accreditation: A rigorous supplier assessment process ensures responsible sourcing, supply chain resilience, and alignment with GERI's sustainability and quality standards.	**GRI 204:** Procurement Practices **GRI 414:** Supplier Social Assessment	• Supply chain resilience and sustainability • Supplier assessments	• Supplier resistance to sustainability criteria • Lack of standardized assessments	• Collaborative supplier programs • Industry-wide benchmarking	

ECONOMIC

Economic Performance

As a leading developer of tourism estates in the Philippines, GERI's business performance impacts the country's presence in the global tourism map, particularly in the area of lifestyle and leisure estates within the major tourist destinations where it operates. The Company's economic growth thereby trickles down to the wellbeing of its stakeholders. Local and national governments receive royalties from the taxes that GERI diligently pays, and the Company's business operations boost the local economy's tourism and leisure market. GERI's business presence further impacts job creation and materials acquisition, especially to its local areas of operation.

Direct Economic Value Generated and Distributed

Disclosure	Unit	2022	2023	2024
Direct Economic Value Generated (Revenue)	PHP	7,330,290,215.00	8,338,664,616.00	8,886,519,613 .00
Direct Economic Value Distributed:				
a. Operating Costs	PHP	2,581,603,378.00	3,344,521,860.00	3,121,913,180.00
b. Employee Wages and Benefits	PHP	521,887,145.00	713,866,818.00	916,812,731.00
c. Payments to Suppliers, Other Operating Costs	PHP	1,415,334,17.00	1,331,311,716.00	1,796,068,211.00
d. Dividends given to Stockholders and Interest Payments to Loan Providers	PHP	22,101,652.00	17,323,448.00	345,576,030.00
e. Taxes given to Government	PHP	702,803,615.00	821,412,790.00	549,542,890.00

In 2024, GERI sustained its economic growth, generating PHP 8.89 billion in revenue, a 6.57% increase from the previous year, driven by real estate portfolio expansion, project turnovers, and higher sales. These aggressive operations in 2024 led to a rise in supply costs. Employee wages and benefits grew by 28.43% to PHP 916.81 million, which aligns with talent retention and increase in workforce to support ongoing developments. No direct contributions were allocated to community investments, as these initiatives are integrated into the Human Resources budget to support broader employee and stakeholder programs.

Our Management Approach
Growth Beyond Numbers

GERI is committed to sustaining economic growth, enhancing financial resilience, and driving long-term value creation for its stakeholders. The Finance Department, in collaboration with senior management and other relevant departments, oversees the Company's economic performance through budget planning, regular financial audits, business performance reviews, and data-driven decisionmaking to ensure that the Company is able to achieve its business objectives. GERI also adheres to strict financial policies that guide responsible fiscal management and regulatory compliance.

Over the past years, GERI's financial progress has also made it possible for us to progress its environmental stewardship. The Company allocates funding towards improving its operational performance so that it can withstand the ongoing effects of climate change such as typhoons, floods and other emergencies.

Climate-related Risks and Opportunities

GERI faces significant climate-related financial risks as a developer of tourism estates. The onset of earthquakes, typhoons, floods, and other severe weather events poses challenges that disrupt the Company's operations. These disturbances may significantly affect revenues and operational productivity.

To manage these risks effectively, GERI assesses these climate vulnerabilities and integrates these considerations into the business strategy. The Company has implemented rent concessions, cost reduction schemes, and secured additional financing from banks and its parent Company to ensure business continuity amid the changing climate. These measures have allowed GERI to actively mitigate risks, capture long-term opportunities, and enhance the Company's overall business resilience.

TCFD Pillar	Disclosure
Governance	**Board Oversight:** The Board maintains oversight of climate-related matters, ensuring these issues are integrated into GERI's broader governance framework. **Senior Management Role:** Executives implement strategies and initiatives relevant to their department. Formal review processes and clear delegation of responsibilities are in place.
Strategy	Climate risks and opportunities are embedded in the overall business strategy. Initiatives include investing in renewable energy, enhancing energy efficiency across developments, and developing resilient infrastructure to adapt to changing climate conditions. This strategic direction supports both operational sustainability and long-term economic performance.

TCFD Pillar	Disclosure
Risk Management	A comprehensive risk management framework is applied to identify, assess, and mitigate climate-related risks. It ensures that potential disruptions—such as extreme weather events and supply chain vulnerabilities—are managed.
Metrics and Targets	The Company monitors reductions in greenhouse gas emissions, improvements in energy efficiency, and progress toward carbon neutrality to inform future investments and strategies. Targets are benchmarked against industry standards and regulatory requirements. Annual targets include a defined percentage reduction in Scope 1 and Scope 2 emissions, as well as measurable improvements in energy and water use efficiency.

Procurement Practices

Proportion of Spending on Local Suppliers

GERI is committed to fostering local economic growth and enhancing supply chain resilience in its significant locations of operation. This procurement strategy strengthens GERI's relationships with local businesses, creating a mutually beneficial ecosystem. Sourcing materials locally also enables the company to mitigate risks associated with supply chain disruptions, particularly those caused by external factors such as global economic fluctuations and climate-related events.

Disclosure	Units	2022	2023	2024
Percentage of Procurement Budget Used for Significant Locations of Operations that is Spent on Local Suppliers	%	99	99	99

**Data restated for FY 2022 and 2023 to reflect corrected percentage of procurement budget allocation*

GERI continues to sustainably procure from local suppliers, including all of its primary construction materials used for the development of its real estate projects. This reinforces its role in nation-building, job creation, and economic development in the regions where it operates. A minor 1% of the procurement budget is allocated to overseas suppliers, mainly for bulk orders of architectural finishes and furniture for cost efficiency.

Our Management Approach

Building a Responsible Supply Chain

By consistently maximizing its procurement budget allocation to local suppliers, the Company not only contributes to the development of regional businesses but also strengthens supply chain resilience, contributes to local economic stability, and reduces negative impacts that arise from cargo and transportation. Furthermore, GERI ensures that the local suppliers/contractors that it partners with are able to uphold standard and proper sourcing and manufacturing practices. The Company also screens suppliers based on existing procurement regulations and policies, which are reviewed annually and are communicated during contract renewal.

Anti-Corruption

Corruption poses a significant risk to business integrity, operational efficiency, and stakeholder trust. Corruption-related risks can occur within operations, across the supply chain, and in external business transactions, affecting procurement, project approvals, and contractual agreements. As such, ethical business practices are critical to maintaining stakeholder trust and investor confidence. By ensuring transparency and accountability, GERI upholds its commitment to good governance, fair competition, and sustainable business growth.

Training on Anti-Corruption Policies and Procedures

Disclosure	Unit	2022	2023	2024
Percentage of Employees to whom the Organization's Anti – Corruption Policies and Procedures have been Communicated To	%	0	100	100
Percentage of Business Partners to whom the Organization's Anti – Corruption Policies and Procedures have been Communicated To	%	0	100	100
Percentage of Directors and Management that have Received Anti – Corruption Training	%	0	100	100

Incidents of Corruption

Disclosure	Unit	2022	2023	2024
Number of Incidents in which Directors were Removed or Disciplined for Corruption	#	0	0	0
Number of Incidents in which Employees were Dismissed or Disciplined for Corruption	#	0	0	0
Number of Incidents when Contracts with Business Partners were Terminated due to Incidents of Corruption	#	0	0	0
Number of Incidents in which Directors were Removed or Disciplined for Corruption	#	0	0	0

Directors underwent a seminar on corporate governance in 2024 to strengthen good governance practices within GERI. While the Company did not conduct additional anti-corruption training for employees, policies and procedures are communicated through official email channels. GERI also communicates its zero-tolerance policy on corruption to business partners during contract signing, which includes NDAs and all relevant compliance policies.

The Company continued to uphold an absence of corruption incidents in 2024. This reflects GERI's proactive stance on ethical governance and risk mitigation, though continued vigilance and enforcement of compliance measures remain essential.

Our Management Approach
Ensuring a Corruption-Free Organization

GERI strictly follows its Company Code of Discipline, which outlines ethical standards and principles on anti-fraud, anti-bribery, and anti-corruption. The Company seeks to uphold the mutual interests of all its stakeholders so that it continues to uphold a culture of integrity and transparency, and maintain an absence of corruption cases across all business operations. GERI's Human Resources and Corporate Administration Division (HRCAD) oversees communication of policies to all internal staff, and they are the responsible entity in investigating alleged incidents of corruption. GERI's Legal Division further assists the Policy Management Team in the review and due process of these policies.

ENVIRONMENT

Resource Management

Energy Consumption within the Organization

Energy consumption plays a vital role in GERI's operations. It impacts the Company's operational efficiency, environmental sustainability, and cost management. Moreover, GERI's reliance on gasoline, diesel, and electricity directly influences the Company's carbon emissions, and thus it is important to manage carbon emissions to align operations with climate goals.

Disclosure*	Unit	2022	2023	2024
Gasoline	GJ	2,692.15	1,314.67	1,491.56
LPG	GJ	355.82	752.29	187,923.36
Diesel	GJ	17,688.39	17,725.74	28,380.18
Electricity	GJ	54,387.17	69,356.41	77,348.04

**Data restated for FY 2022 and 2023 due to implementation of new data management tool and re-classification of electricity data to only cover common spaces for consumption within the organization*

In 2024, GERI noted an increase of its total energy consumption within the organization. This is in line with the expansion of project developments during the fiscal year, which led to increased consumption of fuels and electricity to support the Company's operations. Notably, the rise in LPG consumption in 2024 is attributed to more comprehensive monitoring and audit of its usage, which was previously unreported. As a result, this provides a more accurate reflection of LPG consumption trends, utilized for kitchen and food operations across the Company's hotels and malls.

GERI also implements energy efficiency programs across subsidiaries to support energy reduction and conservation. Such initiatives involve the chiller optimization project in Southwoods Mall, which has saved over 214,474 kWh from November 2023 to October 2024. To further advance its decarbonization goals, GERI is gradually integrating renewable energy across its subsidiaries, with a target of achieving 100% renewable energy procurement starting 2025 through partnerships with a solar energy provider.

Our Management Approach
Greener Energy, Brighter Future

Guided by the Environmental Health and Safety (EHS) Policy, which has consistently championed GERI's sustainability initiatives across its subsidiaries, the Company promotes responsible energy management across its operations. The Utility Corporate Group (UCG) ensures the availability of utilities prior to the construction and operations of projects, including electricity availability. To manage and track energy performance, the EHS Group oversees the regular monitoring and site audits to ensure regulatory compliance and improve energy efficiency.

In line with Megaworld's goal of carbon neutrality by 2035 as part of its MEGreen Program, GERI advances a just energy transition by integrating renewable energy solutions. In 2024, parent company Alliance Global Inc. (AGI) partnered with MPower to supply renewable energy across real estate operations, targeting up to 95% renewable power sourcing in the coming years. GERI has expanded solar energy integration, installing solar streetlights, road studs, bollard lights, and floodlights across townships, saving an estimated 1,365 kWh of electricity. The company also introduced electric vehicles, including an electric minibus in Boracay Newcoast Integrated Tourism Estate (BNITE) for residents and guests.

To maintain reliable energy infrastructure, GERI collaborates with electric cooperatives and ensures continuous training for management and energy professionals on industry best practices. Leadership actively participates in key energy transition forums, such as MPower's "Green Horizons" and the "2025 Economic Outlook & Harnessing the Power of Nuclear" forum. Quarterly and annual management reviews assess sustainability progress, with the EHS Group identifying areas for improvement, reinforcing GERI's commitment to clean energy adoption and long-term sustainability.

Water and Effluents

Water is fundamental to GERI's real estate development and tourism estate operations, supporting construction activities, hospitality services, and facility maintenance. Having a reliable water supply also sustains the everyday needs of GERI's tenants, and thus there is a need to regulate and manage GERI's water consumption across its facilities. In line with this, proper management and disposal of wastewater is essential to ensure regulatory compliance and prevent pollution of nearby water bodies.

Disclosure*	Unit	2022	2023	2024
Water Withdrawal	ML	342	499	362
Water Consumption	ML	200	126	182
Water Recycled and Reused	ML	0	-	-
Total Volume of Water Discharges	ML	141	374	180
Percent of Wastewater Recycled	%	0	-	-

Legend: "-" indicates data is unavailable
**Converted to megaliters for this year (previously cubic meters) to align with AGI Group*

In 2024, GERI achieved notable improvements in water efficiency, saving over 137 ML in water withdrawal. This coincides with a series of upgrades made to the Company's water distribution systems, as well as increased water conservation strategies across townships. Additionally, water discharge was reduced by 31.9%, indicating better wastewater management practices. While data on water recycling and reuse remains unavailable, GERI is committed to enhancing tracking systems and investing in wastewater treatment solutions to further strengthen its sustainability initiatives, such as the deployment of a rainwater harvester in Savoy Boracay Hotel.

For the 2024 cycle, GERI encountered data gaps from select facilities, particularly in water discharge and consumption metrics. To address this, a 75:25 estimation model was applied, allocating 75% of water withdrawal to discharge and 25% to consumption, based on historical performance patterns. Where both consumption and discharge data were missing, consumption was derived using the formula: withdrawal – discharge, consistent with GRI methodology. These assumptions are explicitly disclosed to ensure transparency, and GERI is actively enhancing data capture systems across all subsidiaries to minimize reliance on estimates in future reports.

Our Management Approach
Every Drop Matters

GERI adopts a strategic approach to water management, adhering to compliance with water regulations while improving its water saving initiatives. In line with the Clean Water Act, GERI minimizes the environmental and community impact of its water use by treating wastewater effluent before discharge. Each of GERI's properties have Sewage Treatment Plants (STPs) designed for high-rise and mid-rise condominiums, businesses, and shopping centers and wastewater effluent testing is regularly conducted to stay compliant with the Department of Environment and Natural Resources' (DENR) Republic Act (RA) 9275 Clean Water Act. Water samples are analyzed by a DENR-accredited third-party laboratory, with findings submitted to DENR every quarter.

As of 2024, GERI has improved and energized its water distribution systems across its facilities to reduce overall water consumption. The Eastland Heights water facility successfully rehabilitated its existing cisterns and introduced a solar-powered filtration and chlorination system. Savoy Boracay Hotel has a rainwater harvester to collect rainwater and reduce local water supply demand. Additionally, GERI subsidiaries have also deployed a water timer irrigation system which has since saved PHP 60,000 in water consumption costs for the year 2024.

Materials Used by the Organization

GERI's operations depend on a steady supply of materials for construction and infrastructure maintenance. The way materials are sourced and used directly affects operational costs, supplier relationships, resource availability, and environmental sustainability. Managing material consumption efficiently helps reduce waste, optimize procurement, and lower the Company's ecological footprint.

Disclosure	Unit	2022	2023	2024
Materials Used by Weight/Volume	MT	10,074.00	151,265.00	62,690.18
Renewable	MT	23.00	1.00	30.48
Non-Renewable	MT	10,051.00	151,264.00	62,659.75

GERI's material usage significantly decreased by 82.8% in 2024. This results from improvement of the Company's procurement processes to better track materials and resource use, which predominantly consists of primary construction materials and other consumables. While the Company continues to rely on non-renewable materials to sustain its operations, GERI recognizes the importance of exploring sustainable alternatives and enhancing efficiency in its material sourcing. Moving forward, GERI aims to improve reporting systems, assess opportunities for integrating renewable materials, and optimize material efficiency across its operations.

Our Management Approach
Sustainable Sourcing

GERI's operations rely on the procurement of goods and materials that may potentially contribute to landfill waste, given that the materials used across operations are yet to be completely replaced with recyclable and reusable alternatives. As such, the Company is keen on exploring different initiatives to redirect scrap materials into repurposed items.

Within operations, GERI cultivates a culture of conscious materials management. In 2024, GERI Townships implemented a Zero Waste Launch which monitors waste segregation and promotes waste reduction, which has successfully decreased residual waste in the compound by 51%. Moreover, the Company carries out awareness campaigns through e-mail blasts, infographics, and flash reports on standard waste management practices.

All materials consumed by GERI are classified and regularly monitored into its proper waste disposal method based on its waste type. The Company coordinates with a third-party contractor accredited by the Department of Environment and Natural Resources (DENR) as well as the local government units (LGUs) to direct waste into a sanitary landfill. The EHS team conducts regular site inspections and audits to ensure that the Company stays compliant with waste regulations.

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

Biodiversity plays a key role in maintaining the stability of habitats, making it an important indicator of healthy ecosystems. GERI proactively incorporates green spaces into its developments, which allows local biodiversity to thrive. The Company recognizes that land development can also lead to habitat alteration and potential ecological disruption if not managed carefully, which can in turn affect local communities that heavily rely on wildlife for livelihood. GERI emphasizes the importance of nature and biodiversity in its integrated tourism estate, recognizing its impact in creating vibrant spaces for its customers and in promoting long-term sustainable operations.

Disclosure	2022	2023	2024
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A - Projects are not under the NIPAS ACT		
Habitats protected or restored	N/A - Projects are not under the NIPAS ACT		
IUCN[17] Red List species and national conservation list species with habitats in areas affected by	N/A - No species identified under IUCN Red List		

operations	

GERI maintains its commitment to biodiversity conservation by upholding the Expanded National Integrated Protected Areas System (ENIPAS) Act of 2018, or Republic Act No. 11038, a national law that mandates the protection and management of ecologically significant areas such as national parks, wildlife sanctuaries, and marine reserves. In 2024, the company remained compliant with the NIPAS Act by ensuring that all its projects do not operate within protected areas. This commitment reflects GERI's dedication to responsible land use and biodiversity conservation in line with national environmental regulations.

Our Management Approach
Protecting Nature's Balance

The Company strictly follows the Expanded National Integrated Protected Areas System (ENIPAS) Act of 2018. Across operations, GERI conducts Environmental Impact Assessment (EIA) for all proposed projects in order to evaluate potential physical and biological impacts to each project and its corresponding short- and long-term consequences. Based on these assessments, the project team develops an environmental management plan to create strategies to mitigate and control the environmental impacts of estate operations. EIAs are then reviewed by GERI's internal team before submitting to DENR for final approval. Flagship developments in Boracay, Iloilo, Caliraya, and Tagaytay were selected for their minimal impact on local flora and fauna. GERI schedules audits and special inspections across its project areas to regularly monitor its compliance with EHS standards. Should there be any threats to biodiversity within the areas in which the Company operates, these concerns are reported to the EHS team for proper intervention.

Across operations, GERI has increased its contributions to biodiversity protection through an uptick of programs and initiatives, to which the Company involves its workforce and community partners. The Company carried out its quarterly beach and underwater cleanup in Boracay New Coast – to which over 1,466 kg of residual waste and seaweed debris was collected by over 1,148 volunteers. In 2024, the Company also participated in pandan and *sampaguita* planting programs in Cavinti and Boracay New Coast, respectively. These initiatives not only promote the biodiversity of GERI's business operations, but also increase biodiversity awareness among the Company's workforce.

Environmental Impact

Air Emissions

GERI's operations contribute to greenhouse gas emissions through fuel consumption, electricity use, and value chain activities, making emissions management. Without proactive measures, the Company may face increased fuel costs and lack the resilience to keep up with the negative effects of climate change. GERI thus recognizes that transitioning to low carbon operations can significantly drive cost savings, improve air quality of surrounding communities, and promote compliance to evolving regulatory standards.

Disclosure*	Unit	2022	2023	2024

Direct (Scope 1) GHG Emissions	Tonnes CO_2e	1,448.00	1,383.14	12,803.76
Energy indirect (Scope 2) GHG Emissions	Tonnes CO_2e	10,759.73	20,620.62	15,267.25
Scope 3 GHG Emissions	Tonnes CO_2e	12,556.40	18,995.39	17,949.99

**Data restated for 2022 and 2023 due to implementation of new data management tool and re-classification of common spaces and tenant spaces into Scope 2 and Scope 3, respectively*

GHG Emissions
Air Pollutants

Disclosure	Unit	2022	2023	2024
NOx	mg/Nm^3	235.00	126.00	0.86
SOx	mg/Nm^3	0.00	-	3.00
Carbon monoxide	mg/Nm^3	0.30	103.00	649.00
Particulate matter	mg/Nm^3	0.00	-	230.00

Legend: "-" indicates data is unavailable

GERI observed an increase in its carbon emissions in 2024, which coincides with the higher frequency of operational visits from project launches. This is also associated with increased reliance on fuel-powered generator sets brought about by unreliable grid power in Aklan and Batangas, as well as the onset of typhoons which affected the supply of normal power to the Company's properties.

In terms of Scope 2 emissions, the Company recorded a significant decrease as a result of changes in the scope of its data collection, which excluded data from Fairways and Bluewater Boracay in 2024. Moreover, the Company associates this reduction with its energy-saving initiatives, which has allowed the Company to redirect energy use for some of its operations from grid electricity to renewable energy.

GERI has also begun disclosing its Scope 3 emissions for FY 2024, including Scope 3 historical data for 2022 and 2023. This involves measurement of outside energy consumption and other downstream leased assets including road transport, activities related to purchased goods and services, and other measurable emissions from GERI's supply chain. In the following years, the Company expects to continue monitoring its Scope 3 emissions to have a clearer picture of its overall carbon footprint.

The Company also noted a significant decrease in NOx air pollutant data, attributable to the scope of the data collected for the fiscal year. 2024 air pollutant data was taken from Belmont Hotel following emission testing of both diesel boilers and diesel-fired generator sets, in comparison to the previous year where only generator sets from Twin Lakes Shopping Village were tested. In line with this, testing of diesel boilers and generator sets at the Belmont Hotel led to higher emissions of carbon monoxide and particulate matter. The recorded SOx in 2024 is due to the diesel combustion process, which typically generates minor amounts of sulfur oxides.

Our Management Approach
Clear Skies Ahead

GERI aligns with Megaworld's commitment to carbon neutrality by 2035 and net zero by 2050. The Company diligently monitors its Scope 1, 2, and 3 emissions across all business operations to manage its progress towards these goals. Annual and quarterly progress reports are reviewed by management, which allow the Company to monitor the effectivity of its emission reduction

The Company prioritizes the implementation of emission control and management practices to prevent the release of toxic contaminants into the environment. Operational teams across GERI's developments conduct emission testing, preventive maintenance, and engine oil and filter changing for its generator sets, vehicles, and other related equipment. The Company also adheres to the Clean Air Act (RA 8749), which requires air pollution source installations (APSI), including boilers. The EHS Group conducts site visits twice a year in order to monitor the compliance of GERI's estates to these strict regulations.

In 2024, GERI had key developments for monitoring and curbing its carbon footprint. Aligned with the AGI Group, GERI digitally monitors and tracks environmental performance through the Diligent platform, which includes GHG emissions tracking. This has allowed the Company to report its Scope 3 emissions for the first time. Moreover, the Company's townships actively participated in Earth Hour, an annual celebration to which non-essential lights are turned off for one hour to raise awareness of energy conservation.

Solid and Hazardous Wastes

GERI's operations generate solid and hazardous waste across construction sites, corporate offices, and hospitality establishments. Proper waste management helps in reducing landfill dependency, minimizing environmental impact, and staying compliant with ordinances surrounding waste disposal and management. Managing waste-related impacts across GERI's operations are critical to the Company in order to prevent pollution, which contaminates the soil and water of local ecosystems. If not managed properly, waste can also pose health risks to surrounding communities.

Disclosure	Unit	2022	2023	2024
Total Solid Waste Generated	MT	958.32	11,024.27	2,839.92
Recyclable	MT	266.22	3,062.54	5.85
Composted	MT	0	0	5.15
Residuals/Landfilled	MT	692.10	7,961.73	1,749.01
Others*	MT	0	0	1,078.91

**Include on-site storage and other landfill diversion*

Disclosure	Unit	2022	2023	2024
Non-Hazardous Waste	MT	958.00	11,024.00	1,819.31
Hazardous waste	MT	2.00	4.00	1,019.61

GERI observed a significant reduction in total waste by 74% in 2024, which can be attributed to the omission of Fairways and Bluewater Boracay in the 2024 scope. In addition, the Company has also implemented waste reduction and recycling programs, stricter waste segregation policies, and operational efficiency improvements. In terms of hazardous waste, GERI ensures the proper disposal and treatment of this through a DENR-accredited third-party contractor.

Our Management Approach
From Waste to Wonder

The Company upholds a solid waste management plan compliant to the Ecological Solid Waste Management Act (RA 9003). GERI identifies waste as residual, recyclable, and biodegradable; and it monitors the waste generated and creates disposal inventory. Across operations, GERI fully complies with the municipal regulations concerning waste segregation, garbage disposal, and the establishment of a Materials Recovery Facility (MRF). The Company partners with accredited, third-party service providers to assist in the disposal of waste in accordance with best environmental practices. Treated wastewater is recycled and repurposed within operations for cleaning and landscaping purposes. Waste generated from construction and ongoing operations at project sites is collected by an accredited hauler and transported to designated recycling facilities and landfills.

The EHS Group implements audit reports on a semi-annual basis and consolidates all identified instances of non-conformance observed during site inspections. These reports document areas where waste operations are not yet optimized. This approach allows the Company to implement corrective measures aimed at minimizing waste production and improving management processes.

Within the workforce, GERI promotes a culture of conscious waste management practices within the company, supported by proper storage facilities and Information, Education, and

Communication (IEC) campaigns. The organization has carried over its waste management campaigns for 2024:

- Reduce, Reuse, Recycle
- Promotion of using reusable items (i.e. tumblers, reusable utensils) during onboarding
- Process and procedures for digitalization to reduce paper usage

In addition, Departments responsible for waste management take training for technology and measures for waste disposal and treatment. The Procurement Department also undertakes the proper disposal of laptops and IT equipment that are no longer sound for use.

Environmental Compliance

GERI understands the impact of its operations to the environment and strictly ensures that all its subsidiaries comply with relevant laws and regulations. The Company's environmental compliance data is restricted due to confidentiality constraints and legal obligations.

Our Management Approach
Beyond Green Standards
GERI is committed to following all environmental laws and regulations applicable to the scope of the Company's operations. The Environmental, Health, and Safety (EHS) Group regularly conducts audits and site inspections across townships and sites to ensure the Company's compliance with waste management, water quality, emissions control, and other environmental requirements. GERI identifies areas of non-compliance and takes corrective actions to reduce the Company's environmental impact. A monitoring system is in place to detect potential areas of non-compliance and identify opportunities for improvement.

SOCIAL

Employee Management

Employee Hiring & Benefits

Having an effective workforce enables productivity, improves customer service, and creates a richer workplace culture. Employee management thus enables a company to thrive – otherwise it may result in higher turnover rates, disengagement, and inefficiencies in operations. GERI understands that these problems not only affect internal operations but can also impact its customers and external communities. Thus, GERI ensures that all its employees receive equal rights and their full benefits.

Employee Data

Disclosure	Units	2022	2023	2024
Total Number of Employees	#			
a. Number of Female Employees	#	501	600	663
b. Number of Male Employees	#	344	407	421
Attrition Rate	%	-	22.00	16.87
Ratio of Lowest Paid Employee Against Minimum Wage	Ratio	N/A	N/A	N/A

Legend: "-" indicates data is unavailable

Employee Benefits

Disclosure*	2022		2023		2024	
	% of Female who availed	% of Male who availed	% of Female who availed	% of Male who availed	% of Female who availed	% of Male who availed
SSS	17.04	16.15	20.66	22.09	28.51	26.84
PhilHealth	-	-	-	-	-	-
Pag - IBIG	10.71	10.45	12.82	12.35	24.59	25.65
Parental Leaves	-	-	4.07	1.90	2.26	2.14

Vacation Leaves	-	-	52.19	55.11	79.03	78.15
Sick Leaves	-	-	41.63	37.05	60.63	56.77
Medical Benefits *(Aside from PhilHealth)*	-	-	50.83	61.76	87.93	89.31
Housing assistance (aside from Pag-IBIG)	-	-	0.00	0.15	0.00	0.24
Retirement Fund (Aside from SSS)	-	-	0.00	0.15	0.00	0.24
Life Insurance	-	-	0.00	0.25	0.00	0.00

**Data restated for FY 2023 to only reflect used/utilized benefits for the fiscal year*
Legend: "-" indicates data not available

GERI promotes diversity with a well-balanced distribution of male and female employees. For the past three years, the number of both male and female employees has continually increased, with male employees rising by 3.44% and female employees by 10.50% this year. The Company continues to offer a comprehensive range of benefits for both genders, with higher participation rates than the previous years.

Our Management Approach
Culturing Champions

The Company adheres to the 1987 Philippine Constitution's Bill of Rights that guarantees equal protection for every Filipino and prohibits discrimination based on ethnicity, race, and religion. GERI also submits reports to comply with the Department of Labor and Employment's (DOLE) mandated labor and employment laws.

Aside from the government-mandated benefits, employees enjoy retirement benefits, parental leaves, and housing assistance to support their long-term financial security. The Company promotes employee well-being by holding regular engagement programs including a Health and Wellness Month and events organized by the Human Resources Management Department. GERI regularly conducts team building activities across departments to encourage collaboration and connection among employees. In addition, the Sales and Marketing teams have initiatives such as mental health and sales immersion activities, and skills development seminars that are aligned with (8G) Employee Inclusivity and Volunteerism sustainability goals.

Employee Training and Development

Investing in talent and skills ensures that the Company is able to provide the best services to its clients and remain competitive amid the growing market. GERI puts a premium on providing its workforce with the proper training to enhance skills and inspire employee rapport. These initiatives aim to support personal and professional growth while ensuring a safe and resilient workplace.

Disclosure	Units	2022	2023	2024
Total Training Hours Provided to Employees		1,698	3,448	4,339
a. Female Employee	Hrs	849	1,708	2,465
b. Male Employee	Hrs	849	1,740	1,874
Average Training Hours Provided to Employees		2	10	4.00
a. Female Employees	Hrs/Employee	2	9	3.72
b. Male Employees	Hrs/Employee	2	12	4.45

For this year, GERI saw a significant increase in total training hours provided to employees. The Company continued its commitment to employee development, with total training hours increasing by 25.84% compared to the previous year. Female employees' training hours saw a significant rise of 44.32%, reflecting a focused effort on expanding training opportunities for women in the workforce. Despite a substantial increase in training hours, the average training hours per employee decreased due to the expanded workforce in 2024.

Our Management Approach
Unlocking Potential

Employees are encouraged to participate in skills development seminars. These seminars cover a broad range of topics, including digital marketing, leadership, and operational efficiency, which provide employees with the opportunity to learn new skills and stay updated on industry trends. GERI invests in both in-house and external programs aimed at bridging the gap in employee development and building next-generation company leaders, these include:

- Values+ Training Sessions
- Leadership Summit: How To Inspire Trust and Drive Transformation Amidst Uncertainty
- Earn, Learn, and Yearn: The Chink Positive Way!
- Mandatory 8-Hour Safety and Health Training

Leadership programs are being developed for the coming years, with several key initiatives planned for 2025. The Company aims to launch SPACE (Strategizing and Prioritizing

Actions Consistently and Efficiently), along with courses in Assertive & Professional Communication Skills, Customer Service Skills, Effective Business Writing, and Branding. These programs are designed to foster continuous learning through structured experiences, group work, and values-based learning, empowering employees to develop essential skills for future leadership roles.

The HRMD also plans to conduct a Training Needs Analysis (TNA) to identify skills gaps and align future training with the Company's business goals. Moreover, the Company ensures that they provide necessary guidance and support to employees for their continuous career growth and development. Every year, GERI conducts performance and career development reviews across all departments to track progress, motivate employees, and create an environment where they feel valued and supported. In 2024, 100% of GERI's regular employees successfully received performance evaluations from management.

Labor-Management Relations

<table>
<tr><th>Disclosure</th><th>2022</th><th>2023</th><th>2024</th><th>Unit</th></tr>
<tr><td>Employees covered with Collective Bargaining Agreements</td><td colspan="3" rowspan="2">GERI currently has no union group.</td><td>%</td></tr>
<tr><td>Consultations conducted with employees concerning employee-related policies</td><td>Count</td></tr>
</table>

The Company does not currently have a union group but is committed to respecting and protecting every employee's right to freedom of association, collective bargaining, and participation in worker representation. All employee concerns are carefully monitored by the Human Resources and Legal Departments.

Diversity, Equal Opportunity, and Anti-Discrimination

GERI recognizes that a diverse workforce allows the organization to thrive by incorporating a wide array of talents and perspectives. The Company is committed to fostering an inclusive environment where people from all backgrounds can contribute. By ensuring that every employee feels valued, respected, and empowered, GERI creates a safe space for individuals to achieve success together.

Disclosure	Unit	2022	2023	2024
% of Female Workers in the Workforce	%	59.29	59.58	61.16
% of Male Workers in the Workforce	%	40.71	40.42	38.84
Number of Employees from Indigenous Communities and/or Vulnerable Sector	#	0	0	0

GERI continues to strive for gender balance within the workforce, ensuring an almost equal number of male and female employees. This reflects the Company's commitment to promoting gender diversity and eliminating bias in the recruitment process.

Our Management Approach
Shaping Unique Talents

GERI is dedicated to avoiding discrimination in the workplace and giving all employees equal opportunities. It adheres to current Company policies on Diversity and Equality, enabling a more diverse workforce and social harmony in the workplace. For the past three years, the number of both male and female employees continually increased.

The Company is also committed to creating an environment at work where all people are treated with respect and dignity. All individuals have the right to work in an environment that promotes equal employment opportunities and prohibits illegal discrimination, including harassment. With that, all workplace interactions are professional and free from overt bias, prejudice, and harassment. In 2024, GERI reported zero incidents of discrimination across all its operations. Discrimination of any sort will not be accepted and will be liable to a detailed examination.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health & Safety

Workplace safety is a top priority at GERI, ensuring a secure environment for employees while reducing incidents and operational disruptions. Inadequate safety measures can lead to injuries, legal liabilities, and reputational risks, impacting not only employees but also the supply chain and external communities. Implementing strict OHS measures is essential to protecting all stakeholders and maintaining business integrity.

Disclosure	Units	2022	2023	2024
Safe Man-Hours	Man-Hours	11,644,182	13,599,234	15,149,178
No. of Work – Related Injuries	#	0	0	0

No. of Work – Related Fatalities	#	0	0	0
No. of Work – Related Ill-Health	#	0	0	0
No. of Safety Drills	#	1	8	8

GERI proudly reported zero work-related fatalities and ill-health in 2024, further demonstrating its commitment to a safe and secure work environment. While work-related injuries remained at zero in 2022 and 2023, a single case was recorded in 2024, prompting further reinforcement of safety measures. The Company's commitment for a safe work environment also resulted in 15,149,178 safeman hours that led to receiving the Excellence in Industrial Safety and Outstanding Safety Practitioners Awards.

Our Management Approach
Protect and Perform

The Company implements an Environmental Health and Safety (EHS) Policy, which covers all employees across all its offices and project sites. This is done in line with RA 11580 RA 11058 and incorporates best practices outlined in the ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management).

Workforce health and safety is primarily driven by GERI's Environmental Health and Safety (EHS) Group. The EHS ensures that the Company is compliant to all applicable health and safety regulations and standards, including the identification and mitigation of safety risks and workplace hazards. The Company strictly adheres to its Environmental, Health, and Safety (EHS) Policy and Procedure, which involves conducting Annual Environmental Health and Safety Inspections, audits, and Monthly Environmental Health and Safety Flash Reports. Furthermore, the Company prioritizes preventive measures to minimize accidents and injuries through initiatives like the quarterly evacuation drills. In 2024, GERI reported 100% compliance to emergency drills with a total of 8 emergency drills conducted.

DOLE-accredited safety practitioners guide the Company's leadership in establishing and maintaining a strong safety culture in the workplace. The Company provides training that equips employees with workplace safety and emergency preparedness knowledge, these include:

- 8 Hours of Mandatory on Occupational Safety and Health Training
- Safety Program Audit Training
- Fire Protection & Fire Safety Awareness
- First Aid Training and Basic Life Support

GERI provides employees with access to health services for addressing health concerns while in the workplace. The workforce has access to clinics with in-house physicians and nurses that provide free consultations, medications, and first aid treatment. These clinics are routinely inspected and sanitized, with regular replenishment of medical supplies. In accordance with the Data Privacy Act, all health-related information about employees is securely protected and kept confidential.

The organization actively encourages the involvement of representatives from each department to discuss key topics related to safety and other operational matters. To formalize the safety management system before its implementation, the company organizes forums, toolbox meetings, and workers' consultations, ensuring that all relevant perspectives are considered. GERI has an established hierarchy in the OSH Committee to address any concerns related to workers' health.

Labor Standards and Human Rights

GERI recognizes that maintaining high labor standards and protecting human rights is essential for fostering a positive and sustainable business environment. By respecting basic human rights, GERI not only complies with legal requirements but also strengthens its relationships with employees in order to avoid workplace issues and legal risks. The Company believes that its commitment to ethical labor practices leads to increased employee satisfaction and a more motivated workforce. This approach enhances trust, mitigates risks, and promotes the Company's holistic growth.

Disclosure	Units	2022	2023	2024
No. of Legal Actions or Employees Grievance involving Forced or Child Labor	#	0	0	0

Note: GERI does not employ minors as it follows labor standards.

Policies

Topic	2022	2023	2024	Reference in Company Policy
Forced Labor	N	N	N	GERI complies with local labor standards and regulations.
Child Labor	N	N	N	
Human Rights	N	N	N	

GERI ensures that no child labor, forced labor, or human rights violations have ever occurred within its workplace or among its contractors. To uphold this commitment, the Company implemented strengthened recruitment screening processes and employee training programs, effectively safeguarding its operations against any form of labor exploitation or human rights abuses.

Our Management Approach
Rights and Respect

GERI strives to provide a good working environment that is defined by equality and respect for each other. The Company has Employment & Labor Laws & Policies embedded in its Code of Business Conduct and Ethics, ensuring that these guidelines align with legal requirements and best practices. In the workplace, GERI does not employ anyone below the age of eighteen. The Company forbids the employment of forced or coerced and child labor in all its units. All employees have the right to accept employment in a free and voluntary manner, without fear of punishment. This applies to all the Company's employees, including consultants and interns and any other workers for the Company. GERI recognizes that the prosperity of the business hinges on the well-being and growth of its workers hence no operations were recognized to be at risk for child labor or forced labor incidents.

Supply Chain Management

For GERI, effective supply chain management goes beyond operational efficiency; it is a strategic tool that enhances the company's ability to stay agile in a rapidly changing market. By optimizing supplier relationships, the Company ensures smoother operations and greater resilience to external disruptions. This helps in minimizing delays and mitigating risks, which helps GERI deliver value to its stakeholders.

Sustainability Topics when Accrediting Suppliers

Topic	2022	2023	2024	If yes, cite reference in the supplier policy
Environmental Performance	N	N	N	
Forced Labor	N	N	N	
Child Labor	N	N	N	
Human Rights	N	N	N	
Bribery and Corruption	Y	Y	Y	Vendor/Supplier Contract Agreement, VCC

Environmental criteria are not yet included in the assessment of suppliers, presenting a potential opportunity for development in GERI's sustainability efforts. GERI acknowledged and took steps to prevent bribery and corruption by including the Vendor/Supplier Contract Agreement (VCC) for all three years, reflecting a commitment to ethical business practices and transparency.

This can be found through this link:

https://geri.com.ph/investor-relations/corporate-governance/code-of-business-conduct-and-ethics/

Our Management Approach
Delivering Success

GERI recognizes that inadequate screening of suppliers would prevent the Company from realizing its sustainability objectives. With this, GERI has a Vendor Performance Satisfactory Rating for suppliers and intends to enhance this with the incorporation of environmental factors in further evaluation of the products and services. The Company looks to perform regular audits and reviews of facilities and vendor code procedure and policy to assess whether or not suppliers follow shared sustainable practices within the industry. On social assessment, the team calls for certification and authorizations from suppliers in accordance with the accreditation goals of the VCC within the Purchasing System. This allows GERI to determine whether suppliers are in compliance with Social Responsibility Laws by DOLE. This involves site visits, interviews, and review of financial records.

Overall, GERI continuously coordinates with suppliers to maintain timely production and release. The Company also addresses supplier-related issues as quickly as possible.

Relationship with Community

Working closely with stakeholders plays a significant role in building trust and long-term partnerships. A strong collaborative relationship benefits both the Company and the community, as it ensures the long-term impact of sustainable goals and empowers both the stakeholders and society.

Significant Impacts on Local Communities

Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
No negative impacts identified	-	-

Legend: "-" indicates data is unavailable

Certificates for Activities Impacting Indigenous Peoples (IPs)

Certificates	Units	2022	2023	2024
FPIC process is still undergoing	#	N/A	N/A	N/A
CP secured	#	N/A	N/A	N/A

The need for Free, Prior and Informed Consent (FPIC) and Certification Precondition (CP) processes is not applicable in this case because the Company has conducted a thorough assessment of its operations. The assessment found that there were no negative impacts on local communities. This reflects the Company's ongoing commitment to operating in a socially responsible and sustainable manner, ensuring that its activities have a positive or neutral effect on the communities in which it operates.

Our Management Approach
Nurturing Foundations

The Company encourages a volunteerist and socially responsible culture with the participation of employees in different community programs. Last year, the employees assisted in cleaning and repainting the classrooms, and distributed school supplies and slippers to children in various communities. They also donated to victims of Typhoon Kristine in Lian and Laurel, Batangas; and in Cavite. Different departments at GERI engage in positive relationships with host communities through courtesy calls with local fire and police departments.

The Company actively engages with local government units (LGUs) to gather feedback and concerns from community members about its projects. This input helps improve project outcomes, gain support for approvals, and contribute to long-term sustainability. In addition to mitigating risks, collecting feedback strengthens community relations and enhances the Company's social license to operate.

In 2024, GERI launched Project Halina - an Experience Nature CSR project currently taking place in Eastland Heights. This initiative welcomed indigent families from host barangays to enjoy nature, boost family time, and promote dialogue and collaboration between GERI and the local community. Employee volunteers visit the homes of beneficiary families and invite them to different activities such as *"Laro at Taho"*, *"Lakbay, Tanaw, at Tadyak"*, Christmas family dinner, and Christmas mass. As of 2024, Project Halina has directly and indirectly benefitted over 50 families from 3 host barangays. GERI envisions that Project Halina will widen its scope by providing educational assistance to beneficiary families. By implementing these activities, GERI ensures strong relationships with surrounding communities and takes a cooperative effort to promote their safety and welfare.

Customer Management

GERI understands that exceptional customer care is a cornerstone of any successful business. The Company is dedicated to meeting customer needs and delivering the best quality service to its clients to build trust and reliability. The Company embraces continuous improvement, actively seeking feedback and refining its processes to enhance the customer experience.

Customer Satisfaction
GERI continuously strives to cater its resorts and properties to the needs of all its customers. The Company's customer-facing departments focus on nurturing relationships with customers and guests to ensure smooth transactions throughout operations. TIt is GERI's mission to deliver exceptional services that meet or exceed expectations, fostering long-term relationships, and continuously improving based on feedback.

GERI has a dedicated email where customers can send their feedback or concerns. This can be contacted through: customerservice@global-estate.ph

Health & Safety
GERI ensures that its customers are free from harm by continuously maintaining its properties and deploying safety officers and security across its resorts and estates. For estate buyers, the Operations Division provides official Fact Sheets for all project presentations and sales kits in order to disclose verified information about each project. All of the Company's projects also have the required licenses and permissions from the Department of Human Settlements and Urban Development (DHSUD). We also ensure that our sales agents are transparent in the disclosure of all sales-related information, such as official renders, duration of unit turnover, and other relevant project information.

This proactive and collective approach towards maintaining the transparency of our project operations has resulted in an absence of violations to relevant health and safety, product information, and marketing and labelling issues within the Company since its inception.

Our Management Approach
Elevating Experiences

The Company continuously works to streamline its processes through automation and task-focused groups. In the Customer Relations and Transfers Department, specific groups were created to facilitate contracts preparation and analysis of golf share clients' tax analysis, and to fast track transfers of titles. It implements initiatives to also expedite the turnover of properties and address customers' concerns. It builds trust through transparency and accountability with audits and publishing audit reports.

GERI expands its customer reach and attracts a diverse market with the introduction of Marhaba Boracay — a special-use beach area aimed at creating a safe and inclusive space that welcomes and encourages Muslim tourists in Boracay. Located in a private cove, Marhaba Boracay features a prayer area, access to halal dining options, and guidance on nearby mosques. The development places special emphasis on providing a comfortable space for Islam-practicing women, thus promoting cultural sensitivity in the tourism industry. With the Philippines being designated as one of the emerging Muslim-friendly destinations in the 2024 Global Muslim Travel Index, Marhaba Boracay supports this national recognition and strengthens GERI's commitment to inclusive tourism.

Periodically, the Company monitors and examines its key performance indicators (KPIs) to identify trends, patterns, and potential issues—facilitating proactive management and timely intervention.

Marketing and Labeling

At GERI, the importance of effective marketing and labeling is understood as a key driver of success in reaching diverse audiences and building strong connections with customers. The company is dedicated to creating clear, accurate, and compelling marketing materials that reflect the values and benefits of its products. With a focus on transparency and clarity, GERI ensures that all labeling meets regulatory standards while effectively communicating product information. This commitment not only strengthens customer trust but also supports the company's mission to deliver high-quality products that resonate with a wide range of consumers.

GERI takes a proactive approach to addressing concerns of its customers through the establishment of a dedicated customer service email for feedback and concerns. The Company consistently demonstrates its commitment to resolving any issues in a timely manner, and ensures that its marketing and labeling practices remain transparent and compliant with relevant regulations.

Our Management Approach
Maximizing Reach

GERI employs strategic marketing communications methods to enlighten its customers on the profound impacts of property choices. Call-to-action messages are inserted into marketing materials to generate interest and inform clients of the possible positive effects of investing in GERI.

The message within the marketing material is written based on a factsheet by the Project Development Group, adhering to the guidelines and regulations of the Department of Human Settlements and Urban Development (DHSUD). Disclaimers are also inserted in proper sections of documents by way of fine prints. Marketing campaigns and promotional materials have also been made digital through e-invites and e-brochures, while physical events have been translated to online open houses and virtual client presentations.

GERI uses Facebook Meta's online engagement analytics to track the effectiveness of its online campaigns. This information, together with monthly sales reports, assists in monitoring KPIs based on actual closed sales figures.

Customer Privacy & Data Security

At GERI, protecting customer privacy and ensuring data security are top priorities. The Company is committed to maintaining the highest standards of privacy and security to safeguard sensitive information. GERI implements robust systems, policies and practices to protect customer data from unauthorized access or breaches, ensuring compliance with all relevant regulations. By prioritizing transparency and accountability, GERI fosters trust and confidence among its customers, providing peace of mind that their personal information is handled with the utmost care and security.

Disclosure	Units	2022	2023	2024
No. of Substantiated Complaints on Customer Privacy	#	0	0	0
No. of Complaints Addressed	#	0	0	0
No. of Customers, Users, and Account Holders whose Information is Used for Secondary Purposes	#	-	-	0

No. of Data Breaches, including Leaks, Thefts, and Losses of Data	#	0	0	0

Legend: "-" indicates data is unavailable

The Company maintained a strong record regarding customer privacy for this year, with no substantiated complaints or complaints addressed. Additionally, there were no instances of data breaches, leaks, thefts, or losses of data. As of 2024, the company also ensured that no customer, user, or account holder information was used for secondary purposes. This track record reflects the Company's commitment to safeguarding customer privacy and maintaining the highest standards of data security.

Our Management Approach
Your Data, Our Responsibility

The Company follows the Data Privacy Act to safeguard client information from unauthorized access and misuse. No incidence of customer data losses or breaches were reported in 2024. Security and safety of its communities are a priority and the 24/7 security and proactive security measures provided resulted in low security-related incidents. A command center officer ensures that all incidents are reported immediately and security personnel go through security and safety training. Proper maintenance of community facilities across lifestyle destinations and estates.