

COVER SHEET

FORM SEC-IS

Nature of Application

Preliminary Information Statement

SEC Registration Number

A	S	0	9	4	0	0	4	4	6	2
---	---	---	---	---	---	---	---	---	---	---

Company Name

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	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	E	A	S	T	W	O	O	D	C	I	T	Y
B	R	G	Y	B	A	G	U	M	B	A	Y	A	N	Q	U	E	Z	O	N	C	I	T	Y		

ZIP CODE

1	1	1	0
---	---	---	---

COMPANY INFORMATION

Company's Email Address

corpsecretary@global.estate.ph

Company's Telephone Number/s

5318-4374

Mobile Number

09988437780

CONTACT PERSON INFORMATION

The designated person **MUST** be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation

Name of Contact Person

Atty. Maila N. Pagsanhan

Email Address

corpsecretary@global.estate.ph

Telephone Number/s

5318-4374

Mobile Number

09988437780

Contact Person's Address

9th Floor, Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Brgy. Bagumbayan, Quezon City

To be accomplished by SEC Personnel

	Date	Signature
Assigned Processor :	_____	_____
_____	_____	_____
_____	_____	_____

Document I.D.

Received by **Corporate Filing and Records Division (CFRD)**

Forwarded to:

Corporate and Partnership Registration Division
 Green Lane Unit
 Financial Analysis and Audit Division
 Licensing Unit

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **GLOBAL-ESTATE RESORTS, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
4. SEC Identification Number: **AS094-004462**
5. BIR Tax Identification Code: **000-426-523-000**
6. **9/F Eastwood Global Plaza, Palm Tree Avenue**
Eastwood City, Bagumbayan, Quezon City **1110**
Address of principal office Postal Code
7. Registrant's telephone number, including area code: **(632) 5318-4374**
8. Date, time and place of the meeting of security holders

Date : **26 June 2025**
Time : **9:00 a.m.**
Place : **NO PHYSICAL MEETING. Meeting will be through remote communication, by live stream access via <https://geri.com.ph/asm2025/>
The presiding officer will preside the meeting in Biñan, Laguna.**
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
05 June 2025
10. *[No Proxy Solicitations]*
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common shares	10,986,000,000¹
12. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No

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

¹ As of 30 April 2025.



GLOBAL-ESTATE RESORTS, INC.

NOTICE AND AGENDA OF THE ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2025 Annual Meeting of Stockholders (the “**Annual Meeting**”) of **GLOBAL-ESTATE RESORTS, INC.** (the “**Company**”) will be held virtually on 26 June 2025 at 9:00 a.m., via <https://geri.com.ph/asm2025/> that can be accessed through the Company’s website, with the following agenda:

- I. Call to Order
- II. Certification of Notice and Quorum
- III. Approval of the Minutes of the previous Annual Stockholders’ Meeting
- IV. Annual Report of Management
- V. Appointment of External Auditor
- VI. Ratification of all Acts and Resolutions of the Board of Directors, Board Committees and Corporate Officers adopted during the preceding year
- VII. Election of Directors
- VIII. Other Matters
- IX. Adjournment

The explanation for each item in the Agenda is provided hereunder.

Stockholders of record as of **26 May 2025** will be entitled to notice of, and to vote at, the Annual Meeting.

For the convenience of the stockholders and to allow greater opportunity for them to participate, the Company’s Annual Meeting shall be held virtually. Stockholders can only participate and cast their votes by remote communication or in absentia. Stockholders intending to participate in the Annual Meeting must register until 5:00 P.M of **16 June 2025**. The procedure for such participation is contained in the Information Statement

Votes may be cast only through duly accomplished ballots/proxies submitted not later than 5:00 pm of **16 June 2025** to the Office of the Corporate Secretary at 9th Floor, Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City or by e-mail at corpsecretary@global-estate.ph. A sample ballot/proxy form, which need not be notarized, is enclosed in the Information Statement. Validation of the ballot/proxy shall be held on 19 June 2025.

The Information Statement, Management Report, SEC Form 17A and other pertinent documents and information on the Annual Meeting are available through the Company’s website <https://geri.com.ph>. and PSE Electronic Disclosure Generation Technology or PSE EDGE portal.

For any questions and comments to the Board of Directors and Management, the same may be sent in advance or during the meeting via email at corpsecretary@global-estate.ph.


MARIA CARLA T. UYKIM
Corporate Secretary

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

I. Call to Order

The Annual Meeting will be formally opened at approximately 9:00 o'clock in the morning.

II. Certification of Notice of Quorum (and Rules of Conduct and Procedures)

The Corporate Secretary will certify that the written notice for the meeting was duly sent to stockholders of record, and published in the business section of two newspapers of general circulation in print and online format, and that a quorum exists for a valid transaction of business. The holders of record of the majority of the outstanding capital stock of the Company, who are present by proxy, remote communication or voting in absentia, shall constitute a quorum.

Please refer to the Procedures and Requirements for Voting and Participation in the Annual Meeting (the "Procedure") for complete information on remote participation or voting in absentia, as well as on how to join the live stream for the Annual Meeting. The Corporate Secretary will also explain the Procedure during the meeting.

III. Approval of the Minutes of the previous Annual Stockholders' Meeting

Stockholders will be asked to approve the Minutes of the Stockholders' Meeting held on 27 June 2024, a copy of which is available at the Company's website, <https://geri.com.ph>.

IV. Annual Report of Management

The President of the Company will report on the performance of the Company in 2024.

V. Appointment of External Auditor

The appointment of the external auditor, as evaluated and recommended by the Audit Committee, for the ensuing year will be endorsed to the stockholders for approval. The external auditor conducts an independent verification of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements.

VI. Ratification of all acts and resolutions of the Board of Directors, Board Committees and Corporate Officers

The actions of the Board and its committees were those taken since the Annual Stockholders' Meeting on 27 June 2024 until 26 June 2025. These include activities undertaken in the usual course of business of the Company such as but not limited to transactions with various banks, with utility companies and government agencies, approval and issuance of financial statements, designation of authorized representatives and contract signatories; and matters subject of disclosure to the Securities and Exchange Commission and The Philippine Stock Exchange, Inc. The actions of the Company's corporate officers were those taken to implement the actions and resolutions of the Board and its committees or those undertaken in the in the usual course of business of the Company.

VII. Election of Directors

Nominees for election of nine (9) members of the Board of Directors, including two (2) independent directors, will be presented for election by the stockholders. The profiles of the nominees to the Board of Directors are provided in the Information Statement.

VIII. Other matters

Other concerns or matters raised by stockholders will be discussed.

IX. Adjournment

Upon determination that there are no other matters to be considered, the meeting shall be adjourned.

**REQUIREMENTS AND PROCEDURE
FOR VOTING AND PARTICIPATION IN
THE 2025 ANNUAL STOCKHOLDERS' MEETING**

Only stockholders of record as of **26 May 2025** are entitled to participate and vote in the 2025 Annual Stockholders Meeting (the "ASM") of Global-Estate Resorts, Inc. (the "Company") that will be held virtually on **26 June 2025 at 9:00 a.m.**

The Company has adopted the following procedures and requirements to enable its stockholders to participate and vote in the 2025 ASM.

I. ONLINE REGISTRATION

A. Stockholders may register from 6 June 2025 until 5:00 PM of **16 June 2025** to signify their intention to participate in the 2025 ASM by remote communication.

B. To register, all stockholders shall submit the following requirements to the Office of the Corporate Secretary via email at corpsecretary@global-estate.ph

- i. Scanned copy of stock certificate/s issued in the name of the stockholder/s (if applicable);
- ii. Valid email address and active contact number; and
- iii. Scanned copy of valid government-issued identification card with photo and signature

Other requirements are as follows:

For Stockholders with Joint Accounts –

- i. Authorization letter signed by all stockholders indicating the name of the person authorized to cast the votes;

For Stockholders under PCD Participant/Brokers Account or holding 'Scripless Shares'-

- i. Stockholders should coordinate with their broker and request the full account name and reference number or account number they provided the Company;
- ii. Broker's Certification on the stockholder's number of shareholdings;

For Corporate Stockholders –

- i. Secretary's Certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholder;

C. The documents submitted will be subject to verification and validation by the Office of the Corporate Secretary. The validation process will be completed by the Company no later than three (3) business days from the stockholder's receipt of an email from the Company acknowledging receipt of the stockholder's registration documents. Once validated, the stockholder will receive an email that his/her/its account has been verified, with instructions on how to access the 2025 ASM link.

D. Only the stockholders who have registered as described above and have been validated to be stockholders of record of the Company will be considered in determining the quorum.

II. VOTING

A. Duly registered stockholders have the option to vote for the matters contained in the agenda for the 2025 ASM through remote communication or in absentia by way of submission of duly accomplished ballot/proxy via email at corpsecretary@global-estate.ph. Sample ballot/proxy is

included in the Information Statement that is made available to the stockholders through the Company's website and in the PSE Edge portal.

B. For items other than Election of Directors, the registered stockholder has the option to vote: In Favor of, Against, or Abstain. The vote is considered cast for all the registered stockholder's shares.

C. For the Election of Directors, the registered stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. The total number of votes the stockholder is allowed to cast shall be based on the number of shares he/she/ it owns.

D. Registered stockholders shall have until 5:00 p.m. of **16 June 2025** to cast their votes. Beyond this period, voting shall no longer be allowed. Stockholders will not be allowed to cast votes during the 2025 ASM.

E. The validation of ballots / proxies will be accomplished by the Office of the Corporate Secretary, together with the designated tellers and election inspectors appointed for the 2025 ASM on **19 June 2025**.

F. Voting results shall be announced by the Corporate Secretary during the 2025 ASM.

III. Other Matters

A. For any questions and comments to the Board of Directors and Management, stockholders may send them in advance or during the meeting via email at corpsecretary@global-estate.ph. The Company will exert best efforts to address them during the meeting.

B. The proceedings of the 2025 ASM will be recorded.

C. Personal information sent to the Company in connection with the 2025 ASM will be collected, stored, processed and used solely for the purposes of the 2025 ASM and in accordance with the Philippine Data Privacy Act of 2012 and relevant rules and regulations.

D. For any questions and concerns, stockholders may visit GERI's website at www.geri.com.ph or contact the Office of the Corporate Secretary via e-mail at corpsecretary@global-estate.ph.

BALLOT/ PROXY
GLOBAL-ESTATE RESORTS, INC.
Annual Stockholders' Meeting
26 June 2025 at 9:00 in the morning

Please mark as applicable:

Vote by Ballot: The undersigned stockholder of the Company casts his/her/its vote on the Agenda items for the 2025 GERI ASM

Vote by Proxy: The undersigned stockholder(s) of the Company hereby appoint/s _____ or in his/her/its absence, the Chairman of the Meeting, as proxy of the undersigned stockholder(s) at the Meeting and/or at any postponement or adjournment thereof, and/or any annual stockholders' meeting of the Company, which appointment shall not exceed five (5) years from date hereof.

The undersigned stockholder(s) hereby votes, or direct/s the said proxy to vote, all shares on the agenda items set forth below as expressly indicated with "X" below:

ITEM NO.	SUBJECT	ACTION		
		FOR	AGAINST	ABSTAIN
3	Approval of the Minutes of the Annual Stockholders' Meeting held on 27 June 2024			
5	Appointment of Punongbayan & Araullo as External Auditor			
6	Ratification of all Acts and Resolutions of the Board of Directors, Board Committees and Corporate Officers adopted during the preceding year			
7	Election of Directors (including Independent Directors) for the ensuing year:			
	Andrew L. Tan			
	Lourdes T. Gutierrez-Alfonso			
	Monica T. Salomon			
	Kevin Andrew L. Tan			
	Wilbur L. Chan			
	Ferdinand T. Santos			
	Giancarlo C. Ng			
	Cresencio P. Aquino - Independent Director			
Ma. Milagros C. Yuhico - Independent Director				

 PRINTED NAME OF
 SHAREHOLDER

 SIGNATURE OF SHAREHOLDER/
 AUTHORIZED SIGNATORY

 NUMBER OF SHARES
 TO BE REPRESENTED

 DATE

This ballot/ proxy should be submitted no later than 5:00 p.m. of **16 June 2025** to the Office of the Corporate Secretary at 9th Floor, Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City or by email to corpsecretary@global-estate.ph. This ballot/proxy must be accompanied by a validly government-issued ID with a photo and signature (for individuals) and Corporate Secretary's certification setting out the signatory's authority to sign this ballot/proxy for, or on behalf of, the corporation/partnership (for corporations/partnerships). This ballot/proxy need not be notarized and will be validated on 19 June 2025.

The proxy when properly executed will be voted in the manner as directed herein by the stockholder. If no direction is made, the proxy will be voted for the election of all nominees and for the approval of all matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

By providing personal information in connection with the ballot/proxy, the stockholder hereby consents to the collection, processing and storage of the same solely for the purposes of the meeting and in accordance with the Philippine Data Privacy Act of 2012 and relevant rules and regulations.

PART I

A. GENERAL INFORMATION

ITEM 1. Date, time and place of meeting of security holders

Date: 26 June 2025
Time: 9:00 a.m.
Place: To be conducted virtually via <https://geri.com.ph/asm2025/>

Principal Office: 9/F Eastwood Global Plaza, Palm Tree Avenue
Eastwood City, Bagumbayan, Quezon City, 1110

- (b) The approximate date on which the Information Statement will be made accessible to the security holders in the Company's website is on or before **05 June 2025**.

The Company is not soliciting any proxy. We are not asking you for a proxy and you are not being requested to send us a proxy.

ITEM 2. Dissenters' Right of Appraisal

There are no matters to be acted upon or proposed corporate action in the agenda for the annual meeting of stockholders that may give rise to possible exercise by a dissenting stockholder of its appraisal rights under Title X of the Revised Corporation Code of the Philippines (the "RCC").

A stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances stated in the RCC, to wit:

- (1) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (*Section 80*);
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (*Section 80*);
- (3) In case of merger or consolidation of the Company with or into another entity (*Section 80*); and,
- (4) In case of any investment of corporate funds for any purpose other than the primary purpose of the Corporation (*Section 80*).

The procedures and conditions for the exercise by a dissenting stockholder of his appraisal right shall be in accordance with Section 81 of the RCC, to wit:

- (1) A stockholder voted against a proposed action of the Company;
- (2) The dissenting stockholder shall make a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. The failure of the stockholder to make the demand within the thirty (30)-day period shall be deemed a waiver of his appraisal right;

- (3) If the proposed corporate action is implemented, the Company shall pay to such shareholder, upon surrender of the corresponding certificates of stock representing his shares within ten (10) days after demanding payment for his shares (*See Section 86*), the fair market value thereof as of the day prior to the date on which the vote was taken;
- (4) If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of shareholders' approval of the corporate action, then the fair value of the shares shall be determined and appraised by three (3) disinterested persons, one (1) of whom shall be named by the dissenting shareholder, one (1) by the Company and a third to be named by the two already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award.
- (5) No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.
- (6) Upon payment of the agreed or awarded price, the stockholder shall transfer his shares to the Company.

ITEM 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No director, officer, or nominee for election as director, or the associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter which will be acted upon during the Annual Meeting, other than election to office.
- (b) No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the Annual Meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. Voting Securities and Principal Holders Thereof

(a) *Number of Shares Outstanding*

The Company has 10,986,000,000 common shares outstanding as of 30 April 2025. Each of the common shares is entitled to one (1) vote with respect to all matters to be taken up during the Annual Meeting.

(b) *Record Date*

The Board of Directors (the "**Board**") of the Company set **26 May 2025** as the record date for determining the stockholders entitled to notice and to vote at the Annual Meeting. As such, only stockholders as of such record date are entitled to notice and to vote at the Annual Meeting.

(c) *Manner of Voting*

Pursuant to Sections 23 and 57 of the RCC and SEC Memorandum Circular No. 06, Series of 2020 allowing voting through remote communication or in absentia, stockholders may now participate in the Annual Meeting by remote communication and cast their votes in absentia. A stockholder may cast his votes by remote communication or in absentia until 5:00 pm of **16 June 2025**.

A stockholder voting remotely or in absentia shall be deemed present for purposes of quorum. Please refer to the Procedures and Requirements for Voting and Participation in the Annual Meeting for complete information on voting via remote participation or voting in absentia, as well as on how to join the Annual Meeting.

(d) *Cumulative Voting Rights*

Each holder of common stock shall have cumulative voting rights with respect to the election of the members of the Board of the Company. Cumulative voting entitles each stockholder to cumulate his shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or distribute them on the same principle among as many nominees as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

(e) *Security Ownership of Certain Record and Beneficial Owners and Management*

(i) Security ownership of certain record and beneficial owners

Security ownership of certain record and beneficial owners owning more than five percent (5%) of any class of the Company's voting securities as of 30 April 2025:

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares Held	Percent (Based on total shares)
Common Shares	Megaworld Corporation 30 th Floor, Alliance Global Tower, 36 th Street cor. 11 th Avenue, Uptown Bonifacio, Taguig City 1634	Megaworld Corporation ²	Filipino	9,035,638,139	82.25%
Common shares	PCD Nominee Corporation (Filipino) 6/F MKSE Bldg. Ayala Avenue, Makati City	Various shareholders ³	Filipino	1,464,861,560	13.33%

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

Security ownership of Management

Security ownership of directors and executive officers of the Company as of 30 April 2025:

² Megaworld Corporation is both the record and beneficial owner. However, Mr. Andrew L. Tan is usually designated as its representative, with authority to vote its shares at meetings of the stockholders. Figures pertain to Direct Shares owned by Megaworld Corporation, it also has 27,356,000 indirect shares. In all, its direct and indirect shares are 9,062,994,139, with 82.49% ownership.

³ Under PCD Nominee Corporation, there are no person/s who are beneficial owner/s of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to shares comprising more than five percent (5%) of the outstanding capital stock of the Corporation.

SECURITY OWNERSHIP OF MANAGEMENT

Title of Class	Name of Beneficial Owner	Amount and nature of Beneficial Ownership	Citizenship	Percent of Class
Common	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	2,611,825 (direct)	Filipino	0.00%
Common	Giancarlo S. Ng	1 (direct)	Filipino	0.00%
Common	Cresencio P. Aquino	1 (direct)	Filipino	0.00%
Common	Jesus B. Varela	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	Allan D. Espiritu	0	Filipino	n/a
Common	Maria Carla T. Uykim	0	Filipino	n/a
Common	Nelileen S. Baxa	0	Filipino	n/a
Common	Kirk P. Abot	0	Filipino	n/a

There is no indirect beneficial ownership of the named directors and officers.

(ii) *Voting Trust Holders of 5% or more*

The Company has no knowledge of persons holding more than five percent (5%) of its voting securities under a voting or similar agreement.

(f) *Changes in Control*

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

ITEM 5. Directors and Executive Officers

(a) *Incumbent Directors, Independent Directors, and Executive Officers*

The following are the names, ages, citizenship and periods of service of the incumbent directors and independent directors of the Company, who are elected annually by the stockholders:

Name	Age	Citizenship	Period during which individual has served as such
Andrew L. Tan	75	Filipino	12 January 2011 up to present
Lourdes T. Gutierrez-Alfonso	61	Filipino	30 June 2011 up to present
Monica T. Salomon	56	Filipino	01 March 2015 to present
Kevin Andrew L. Tan	45	Filipino	26 June 2014 up to present
Wilbur L. Chan	65	Filipino	12 January 2011 up to present

Ferdinand T. Santos	74	Filipino	1994 up to present
Giancarlo C. Ng	47	Filipino	28 August 2020 to present
Jesus B. Varela (Independent Director)	68	Filipino	30 June 2016 up to present
Cresencio P. Aquino (Independent Director)	71	Filipino	2010 to 2012; February 2018 up to present

The following are the names, ages, positions, citizenship and periods of service of the incumbent executive officers of the Company who are elected annually by the Board during its organizational meeting:

Name	Age	Citizenship	Position	Period during which individual has served as such
Andrew L. Tan	75	Filipino	Chairman & CEO	12 January 2011 up to present
Monica T. Salomon	56	Filipino	President	1 March 2015 to present
Lourdes T. Gutierrez - Alfonso	61	Filipino	Managing Director	1 March 2015 to present
Lailani V. Villanueva	45	Filipino	Chief Financial Officer & Compliance Officer	July 2013 up to present
			Treasurer	March 2019 up to present
			Corporate Information Officer	June 2019 up to present
Maria Carla T. Uykim	48	Filipino	Corporate Secretary and Assistant Corporate Information Officer	April 2019 to present
Nelileen S. Baxa	46	Filipino	Assistant Corporate Secretary	8 October 2020 up to present
Allan D. Espiritu	44	Filipino	Chief Audit Executive	27 June 2024 to present
Marie Emelyn Gertrudes C. Martinez	60	Filipino	EVP for Legal Division	February 2012 up to present
Felipe L. Mangubat Jr.	59	Filipino	VP – Head of Operations Management	January 2020 to present
Karen B. Maderazo	46	Filipino	VP for HR and Corporate Administration	October 2013 up to present
Kirk P. Abot	55	Filipino	Vice President and Head of Planning and Design of the Company	July 2023 up to present

Brief Background of the Directors and Officers

The business experiences of the Directors and Executive Officers of the Company for the last five (5) years are as follows:

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 24 June 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 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, Filipino, 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 its Management Executive Committee. She is also a director of publicly-listed companies Alliance Global Group, Inc. and MREIT, Inc. 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 a degree of Bachelor of Science major in Accounting.

MONICA T. SALOMON, Filipino, 56 years old, has served as Director, President, and Chief Operating Officer 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, Filipino, 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/Executive Director of Megaworld Corporation ("Megaworld"); 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 previously held the position of Executive Vice President and Chief Strategy Officer of Megaworld. He also previously held the position of Senior Vice President for

Commercial Division of Megaworld, which markets and operates the Megaworld Lifestyle Malls including but not limited to Eastwood Mall, Venice Piazza at McKinley 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, Filipino, 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 Agricornp, 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 an Independent Director of various publicly listed/public companies, namely MREIT, Inc., Travellers International Hotel Group, Inc., and Suntrust Resorts Holdings. (Lead Independent Director). He is also Director General of the International Chamber of Commerce Philippines, a Board Regent of Universidad de Manila, columnist at the Philippine Daily Tribune and President of the Erehwon Art Foundation. Mr. Valera 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 of 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. Valera 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 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 Conception

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., Golforce, Inc., Sherwood Hills, Development, Inc., Fairways 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. She 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.

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.

MARIA CARLA T. UYKIM, Filipino, 48 years old, 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. 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, 46 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 Cuisine, 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.

(b) *Nominees for Election as Directors, including Independent Directors*

Directors are elected annually by the stockholders during the annual stockholders' meeting to serve until the election and qualification of their successors.

The Corporate Governance Committee accepts nominations to the Board including nominees for independent directors, screens and qualifies the nominees and prepares the final list of candidates for election as members of the Board (the "Final List").

The Corporate Governance Committee, having concluded after evaluation and deliberation that all nominees have all the qualifications and none of the disqualification for election as directors, has determined the following as comprising the Final List of Candidates:

1. Andrew L. Tan
2. Lourdes T. Gutierrez-Alfonso
3. Monica T. Salomon
4. Kevin Andrew L. Tan
5. Ferdinand T. Santos
6. Wilbur L. Chan
7. Giancarlo C. Ng
8. Cresencio P. Aquino - Independent Director
9. Ma. Milagros C. Yuhico - Independent Director

As provided in the Company's Amended By-Laws, nominations made after the issuance of the Final List of Candidates or during the annual stockholders' meeting shall not be allowed.

The foregoing individuals, including the independent directors, who all accepted their respective nominations in writing, were nominated by Megaworld Corporation, the majority stockholder of the Company.

Except for Ma. Milagros C. Yuhico, the background and experience of all the nominees for directors have been provided above. Below is the background and experience of Ma. Milagros C. Yuhico.

MA. MILAGROS C. YUHICO. Filipino, 68 years old, has served as Independent Director of the Megaworld Corporation since 12 December 2024. She is also an Independent Director at MREIT Property Managers, Inc. ("MPMI"), and has held said position since 2021. Prior to joining MPMI, Ms. Campomanes-Yuhico rose from the ranks in Philippine Veterans Bank, serving for 20 years which ultimately led to the position of First Vice President and Head of the Trust and Investment Division. She also served in various capacities in Peninsula Development Bank, Campomanes Realty and Development Corporation, CAPLIFE (representing CAP Trust Fund), and BIC Investment Corporation (representing CAP Trust Fund). Ms. Yuhico is a Certified Public Accountant, and has extensive experience in the fields of accounting, audit, banking, trust and finance, having assumed positions and advisory functions in relation to such fields. She is a graduate of De La Salle University with a Bachelor of Science in Accounting and has taken a Special Course for Trust at the Trust Institute Foundation of the Philippines.

Independent Directors

The Company is required to have at least two (2) independent directors in its Board, who should be independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the Company. An independent director should have at least one (1) share of the Company's common stock, a college graduate or has been engaged or exposed to the business for at least five (5) years, and possesses integrity/probity and assiduousness.

Pursuant to SEC Memorandum Circular No. 19, Series of 2016, the independent directors shall serve for a maximum cumulative term of nine (9) years, reckoned from 2012. After which, the independent director should be perpetually barred from reelection as such in the Corporation but may continue to qualify for nomination and election as a non-independent director. If the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

Ms. Ma. Milagros C. Yuhico is being nominated for the first time as an Independent Director of the Company, in replacement of Mr. Jesus B. Varela, whose term will end in June 2025. Mr. Cresencio P. Aquino, on the other hand, was first elected as an Independent Director from 2010 to 2012, and was subsequently re-elected on 15 February 2018.

Both Ms. Yuhico and Mr. Aquino have not exceeded the term limit for Independent Directors, as neither has served in such capacity for more than nine (9) years.

In compliance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications on Qualification of Independent Directors executed by the nominees for independent directors are being submitted together with the Company's Information Statement as Annex "A".

Significant Employees

Other than the Company's executive officers, there are no employees who are expected to make a significant contribution to the Company's business or personnel upon whose services the Company's business is highly dependent.

Family Relationships

Director Kevin Andrew L. Tan is the son of Chairman Andrew L. Tan. Apart from this, there are no other known family relationships between the current members of the Board and key officers.

Involvement in Certain Legal Proceedings

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.

There are no material pending legal proceedings with respect to election of directors.

Certain Relationships and Related Transactions

The Company with regard to related party transactions adopts a policy of full disclosure. The Company ensures that the transactions are entered in accordance with the arm's length dealings and on terms comparable to those from unrelated third parties.

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. The Group disclosed in Note 25 the amount of the transactions with its related parties, including the amount of outstanding balances of the reporting dates. With regard to determination of transaction prices these are determined based on the agreement of the parties involved and are based on the prevailing market price.

The Company has no transaction for the covered period with parties that fall outside the definition of "related parties" under PAS 24 but with whom the Company or its related parties has a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

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.

b) *Disagreement with the Company*

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting because of disagreement with the Company on any matter relating to the Company's operations, policies or practices.

ITEM 6. Compensation of Directors and Executive Officers

Executive Officers

NAME	POSITION	YEAR	SALARY	BONUS	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	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2025 (Estimated)	26.3 Million	2.4 Million	3.0 Million
B. All other officers and directors as a group unnamed			52.6 Million	4.5 Million	6.6 Million

NAME	POSITION	YEAR	SALARY	BONUS	Other Annual Compensation
C. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat Jr. Lailani V. Villanueva	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2024	24.6 Million	2.8 Million	2.3 Million
D. All other officers and directors as a group unnamed			49.5 Million	4.2 Million	6.2 Million

NAME	POSITION	YEAR	SALARY	BONUS	Other Annual Compensation
E. Five Most Highly Compensated Officers		2023	23.3 Million	2.0 Million	2.9 Million
Monica T. Salomon	President				
Wilbur L. Chan	Director for Hotels and Clubs				
Emelyn C. Martinez	EVP - Legal				
Felipe L. Mangubat Jr.	Head of Operations Management				
Lailani V. Villanueva	Chief Finance Officer				
F. All other officers and directors as a group unnamed			37.9 Million	2.9 Million	4.9 Million

The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four highly compensated executives amounted to Php29.7 million in 2024, Php28.2 million in 2023 and Php26.6 million in 2022. The projected total annual compensation for the current year is Php31.7 million.

The total annual compensation paid to all senior personnel from Assistant Vice-President and up were all paid 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.

Directors

Article III, Section 8 of the Company's By-laws provides -

"Section 8. Compensation - By resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper."

Other than payment of per diem per attendance at board meetings, there are neither standard nor other arrangements pursuant to which directors of the Company are compensated or are to be compensated, for any service provided as director for the last completed year and the ensuing year.

In 2024, the Board of Directors held four (4) meetings, which were all attended by the directors.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

The Company has no existing employment contract with any executive officer or any existing compensatory plan or arrangement, including payments to be received from the Company or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, if any, including all periodic payments or installments, which exceeds P2,500,000.

Warrants and Options Outstanding held by Directors or Officers

On 8 November 2011, the Company approved an Executive Stock Option Plan (ESOP) to enable its key Company directors and executives (“Option Holders”) 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.

Pursuant to this ESOP, from 2012 to 2016, consisting of five (5) tranches, the Company granted the option to its key company directors and executives to subscribe to a total of 400 million shares of the Company. As of 31 December 2023, none of the Option Holders has 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.

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

ITEM 7. Independent Public Accountants

(a) Appointment of External Auditor

Punongbayan & Araullo is being recommended to the stockholders at the scheduled Annual Meeting on 26 June 2025 for approval as external auditor of the Company for the calendar year ending 31 December 2025.

Punongbayan & Araullo was the same entity recommended to and approved by the stockholders at the Annual Meeting in 2024 as external auditor of the Company for the calendar year ending 31 December 2024. Punongbayan & Araullo was likewise appointed external auditor of the Company for the calendar years ending 31 December 2023 and 2022.

The appointment of Punongbayan & Araullo is compliant with the provisions SEC Rules on *Strengthening the Commission's Requirements Regarding Auditor Independence* (Release No. 33-8183, January 28, 2003), which require that the external auditor be rotated or the handling partner changed every seven (7) years or earlier. For the years 2016 to 2022, the handling partner was 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.

(b) Availability of Auditor

Representatives of Punongbayan & Araullo are expected to be present during the Annual Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

(c) Members of the Audit Committee

The selection of the external auditor is upon the recommendation of the Audit Committee, which is chaired by Mr. Cresencio P. Aquino with Mr. Jesus B. Varela and Mr. Kevin Andrew L. Tan as members, and is made on the basis of credibility, professional reputation, accreditation with Securities and Exchange Commission, and affiliation with a reputable foreign partner.

(d) Changes in and 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 and its subsidiaries.

(e) 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 Php2.31 million, Php1.95 million, and Php1.73 million, respectively.

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

ITEM 8. Compensation Plans

No action is to be taken up during the Annual Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM 9. Authorization or Issuance of Securities other than for Exchange

No action is to be taken up during the Annual Meeting with respect to the authorization or issuance of any securities other than for exchange for outstanding securities of the Company.

ITEM 10. Modification or Exchange of Securities

No action is to be taken up during the Annual Meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

ITEM 11. Financial and Other Information

Financial Statements of the Company for the immediately preceding year as well as the Management's Discussion and Analysis of Operations and Financial Condition for the corresponding period are included in the Company's Management Report and are incorporated herein by reference as Annex "B".

ITEM 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken up during the Annual Meeting with respect to any transaction involving (a) merger or consolidation of the Company into or with any other person or of any other person into or with the Company; (b) the acquisition by the Company or any of its security holders of securities of another person; (c) the acquisition by the Company of any other going business or of the assets thereof; (d) the sale or other transfer of all or any substantial part of the assets of the Company; or (e) the liquidation or dissolution of the Company.

ITEM 13. Acquisition or Disposition of Property

No action is to be taken up during the Annual Meeting with respect to the acquisition or disposition of any property.

ITEM 14. Restatement of Accounts

No action is to be taken up during the Annual Meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

ITEM 15. Action with Respect to Reports

The Minutes of the Annual Meeting of Stockholders held on 27 June 2024⁴ will be submitted to the stockholders for approval. The Minutes will refer to the adoption of stockholders' resolutions pertaining to, among others, the following matters:

1. Approval of the Minutes of the Previous Annual Meeting
2. Appointment of External Auditor
3. Ratification of all Acts and Resolutions of the Board of Directors, Board Committees and Corporate Officers adopted during the preceding year
4. Election of Directors

The stockholders approved all matters submitted for the approval of the stockholders by proxy or in absentia by having emailed their accomplished ballots to the Corporate Secretary until 5:00 pm of 18 June 2024.

All stockholders were given the opportunity to ask questions by sending their questions and/or comments prior to the Annual Meeting through email at corpsecretary@global-estate.ph. The Minutes of the 2024 Annual Meeting, which is posted in the Company's website, contains a detailed discussion of the matters discussed, a record of the voting results for each agenda item, the list of directors and officers who attended the meeting, the Management's Report on the Company's performance during the previous year.

The approval or disapproval of the Minutes will constitute merely an approval or disapproval of the correctness of the Minutes but will not constitute an approval or disapproval of the matters referred to in the Minutes.

*Ratification of Acts and Resolutions of the Board of Directors,
Board Committees, and Management*

The stockholders will be asked to ratify all resolutions of the Board of Directors and the Board Committees and acts of Management adopted during the last Annual Meeting held on 27 June 2024 until 26 June 2025.

ITEM 16. Matters not Required to be Submitted

No action is to be taken up during the Annual Meeting with respect to any matter, which is not required to be submitted to a vote of security holders. Only matters that require shareholders' approval will be taken up during the shareholders' meeting.

ITEM 17. Amendment of Charter, By-Laws or Other Documents

No action is to be taken up during the Annual Meeting with respect to any amendment of the Company's Articles of Incorporation, By-laws, or other documents as to which information is not required in the preceding items.

ITEM 18. Other Proposed Actions

No action is to be taken with respect to any matter not specifically referred above.

⁴ The Minutes of the 2024 Annual Stockholders' Meeting is made available for download through the Company's website at <https://geri.com.ph/company-disclosures/type/annual-stockholders-meeting/>

ITEM 19. Voting Procedures

(a) Vote required

In the election of directors, the nine (9) nominees garnering the highest number of votes will be elected as members of the Board provided that there shall always be elected at least two (2) independent directors in the Company's Board.

For all other matters proposed to be acted upon, the vote of majority of the outstanding capital stock will be required for approval, unless a higher vote is required by applicable laws or regulations.

(b) Method of Counting of Votes

Each holder of common share will be entitled to one (1) vote with respect to all matters to be taken up during the Annual Meeting; provided that in the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit; provided further, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Voting shall be done by ballot/proxy. Stockholders may send their duly accomplished ballot/proxy via email to corpsecretary@global-estate.ph on or before 16 June 2025. Please refer to the Guidelines in Participating via Remote Communication and Voting in Absentia for the detailed information on the procedure for registration, participation, and voting during the Annual Meeting. Election inspectors duly appointed for the meeting shall be responsible for counting the number of votes.

PART II

The Company is not soliciting any proxy –

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

PART III

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Quezon City on MAY 22 2025.

GLOBAL-ESTATE RESORTS, INC.

By:



LAILANI V. VILLANUEVA

*Chief Finance Officer, Treasurer, Compliance Officer,
and Corporate Information Officer*

ANNEX “A”

Certifications of Independent Directors

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CRESENCIO P. AQUINO**, of legal age, Filipino and a resident of No. 8, Apeecho Street, Portofino Heights, Daang Hari, Almanza Dos, Las Piñas, Metro Manila, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **GLOBAL-ESTATE RESORTS, INC.**, a corporation duly organized and existing under Philippine laws, with office address at 9th Floor, Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City (hereafter, the "**Corporation**") and have been its independent director for the years 2010 to 2012 and February 2018 to present.

2. I am nominated for re-election as independent director of the Corporation during its Annual Stockholders' meeting on 26 June 2025;

3. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Megaworld Corporation	Independent Director	2018 to Present
Empire East Land Holdings, Inc.	Independent Director	2018 to Present

4. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations ("**IRR**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

5. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Corporation, any of its related companies, or any of its substantial shareholders.

6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

[Signature page follows]

Done this 21 MAY 2025 at Quezon City, Philippines.



CRESENCIO P. AQUINO
Affiant

SUBSCRIBED AND SWORN to before me this 21 MAY 2025 at Quezon City, Philippines, affiant personally appeared before me and exhibited to his Taxpayer Identification Number 113-313-284 as competent evidence of his identity.

Doc. No. 194;
Page No. 21;
Book No. XXI;
Series of 2025.



Atty. Richard Leo M. Balmora
Notary Public for Quezon City
(NP-230 / 2024-2025)
Until December 31, 2025
Roll No. 53953
R No. 5052411 / 01/02/2025 / Plaridel Bulac
CLE Compliance No. VII - 0007663 / 11/04/20
IBP Lifetime No. 7203 (01-17-08)

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MA. MILAGROS C. YUHICO**, of legal age, Filipino, and a resident of Unit 411, Amorsolo West, Amorsolo Square, 23 Amorsolo Drive, Poblacion, Makati City, Philippines, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of **GLOBAL ESTATE-RESORTS, INC.** (the "**Corporation**"), a corporation duly organized and existing under Philippine laws, with office address at 9th Floor, Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City.

2. I am also affiliated with the following company/ies or organization/s:

Company/Organization	Position/Relationship	Period of Service
MREIT Property Managers, Inc.	Independent Director	2021 to Present
Megaworld Corporation	Independent Director	December 12, 2024 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations ("**IRR**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Corporation, any of its related companies, or any of its substantial shareholders.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.


[Signature page follows.]

Done this **MAY 16 2025** at **TAGUIG CITY**, Philippines.


MA. MILAGROS C. YUHICO
Affiant

MAY 16 2025
SUBSCRIBED AND SWORN to before me at **TAGUIG CITY**, Philippines,
affiant personally appeared before me and exhibited to me his Passport Number P6151606A expiring
until 22 February 2028.

Doc. No. 937;
Page No. 69;
Book No. III;
Series of 2025.


ATTY. PAUL VINCENT P. SIOCHI
Notary Public for Taguig City
Notarial Commission No. 53 (2024-2025)
Rol of Attorneys No. 68383
IBP Lifetime No. 016219; 05/08/17; Makati City
PTR No. A-6465786; 01/13/2025; Taguig City
MCLE Compliance No. VIII-0020561; 01/24/2025
Blk 5, Lot 21, Phase 2, Pinagsama Village, Taguig City

ANNEX “B”

Management Report



GLOBAL-ESTATE RESORTS, INC.

MANAGEMENT REPORT

For the
2025 Annual Shareholders' Meeting
Pursuant to SRC Rule 20 (4)

Item 1. Financial and Other Information

Audited Financial Statements

The consolidated financial statements as of 31 December 2024 are attached hereto. The Statement of Management Responsibility, Schedules Required under Part IV (c) of Rule 48 are included in the Annual Report (Form 17-A).

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.

1.1 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.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As previously reported</u>	<u>Restatement</u>	<u>As restated</u>
<i>Total assets</i>				
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
<i>Total liabilities</i>				
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)	<u>187,013,213</u>	(3,095,388,672)
			<u>(1,240,583,105)</u>	
<i>Total equity</i>				
Equity attributable to shareholders of the Parent Company	2.1b(i)(ii)	(33,525,526,023)	1,098,645,389	(32,426,880,634)
Non-controlling interest		(6,402,736,205)	<u>141,937,716</u>	(6,260,798,489)
			<u>1,240,583,105</u>	

(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 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:

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

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

<i>(Amounts in PHP)</i>	<u>As Previously Reported</u>	<u>Restatement</u>	<u>As Restated</u>
<u>2023:</u>			
<i>Changes in Net profit and Total Comprehensive Income</i>			
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	<u>(4,654,973)</u>	816,757,817
		<u>252,089</u>	
Net profit attributable to: Parent Company's shareholders	1,840,437,287	<u>(252,089)</u>	1,840,185,198
Earnings per Share:			
Basic	1.68		1.68
Diluted	1.67		1.67
<u>2022:</u>			
<i>Changes in Net profit and Total Comprehensive Income</i>			
Other operating expenses	1,492,773,638	(5,241,815)	1,487,531,823
Finance costs and other charges	392,312,495	<u>8,046,203</u>	400,358,698
		<u>2,804,388</u>	
Net profit attributable to: Parent Company's shareholders	1,792,146,732	<u>(2,804,388)</u>	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:

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

(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.

1.2 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).

1.3 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.

1.4 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).

1.5 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.

1.6 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

1.7 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

1.8 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

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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).

1.14 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.

External Auditor

The Group has engaged the services of Punongbayan & Araullo during the most recent calendar year. There were no disagreements with Punongbayan & Araullo on any matter of accounting and financial disclosure.

Attendance of External Auditor at the Meeting

Representatives of the Corporation's external auditor, Punongbayan & Araullo, for the Calendar Year 2024, are expected to be present at the Annual Stockholders' Meeting scheduled on 26 June 2025. Said accountants will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions on the Corporation's financial statements.

BUSINESS AND GENERAL INFORMATION

Form and Date of Organization

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, Lialto Beach and Golf Estate in Lian, Batangas, and The Fifth in Pasig City, Metro Manila. 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.

Management's Discussion and Analysis of Financial Condition and Results of Operations

KEY PERFORMANCE INDICATORS

LIQUIDITY RATIOS

	March 31, 2025	March 31, 2024	December 31, 2024	December 31, 2023, as restated
Current Ratio	4.54	4.88	4.52	4.86
Quick Assets Ratio	1.98	1.89	1.97	1.83

Current Ratio (Current Assets/Current Liabilities)

Liquidity ratio 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

	March 31, 2025	March 31, 2024	December 31, 2024	December 31, 2023, as restated
Debt to Total Assets	35%	35%	35%	35%
Equity to Total Assets	65%	65%	65%	65%
Debt to Equity	53%	53%	54%	55%
Asset to Equity	1.53	1.53	1.54	1.55

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.

PROFITABILITY RATIOS

	March 31, 2025	March 31, 2024	December 31, 2024	December 31, 2023, as restated
Return on Equity	1.65%	1.60%	5.26%	5.63%
Return on Assets	1.02%	0.96%	3.46%	3.54%
Earnings per Share	₱ 0.052	₱ 0.049	₱ 0.162	₱ 0.168

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.

ACTIVITY RATIO

	March 31, 2025	March 31, 2024	December 31, 2024	December 31, 2023, as restated
Asset Turnover	2.29%	2.59%	9.36%	10.53%

Asset Turnover (Sales/ Total Assets)

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

INTEREST COVERAGE RATIO

	March 31, 2025	March 31, 2024	December 31, 2024	December 31, 2023, as restated
Interest Coverage	11.46	5.62	8.83	31.02

Interest Coverage Ratio (Earnings before Interest and Income Tax/ Interest Expense)

It measures how easily a company can pay interest on an outstanding debt.

Management Discussion and Analysis

Review for the period ended March 31, 2025

Results of Operations

	Unaudited		Horizontal Analysis		Vertical Analysis	
	1Q2025	1Q2024	Inc. (Dec.)	%	1Q2025	1Q2024
REVENUES AND INCOME						
Real estate sales	P 1,447,024,924	P 1,611,706,110	(P 164,681,186)	-10%	64%	75%
Hotel operations	297,998,693	201,571,242	96,427,451	48%	13%	9%
Rental income	143,569,224	128,715,005	14,854,219	12%	6%	6%
Service income	69,925,387	53,083,449	16,841,938	32%	3%	2%
Marketing fees	32,646,100	1,920,782	30,725,318	1600%	1%	0%
Finance and other income	257,490,511	144,463,136	113,027,375	78%	11%	7%
TOTAL REVENUE	2,248,654,839	2,141,459,724	107,195,115	5%	100%	100%
COSTS AND EXPENSES						
Cost of real estate sales	619,306,877	763,068,806	(143,761,929)	-19%	28%	36%
Cost of rentals and services	98,425,441	90,537,246	7,888,195	9%	4%	4%
Cost of hotel operations	102,129,547	88,070,729	14,058,818	16%	5%	4%
Other operating expenses	445,041,448	336,478,086	108,563,362	32%	20%	16%
Finance costs and other charges	157,053,981	101,120,658	55,933,323	55%	7%	5%
TOTAL COSTS AND EXPENSES	1,421,957,294	1,379,275,525	42,681,769	3%	63%	64%
PROFIT BEFORE TAX	826,697,545	762,184,199	64,513,346	8%	37%	36%
TAX EXPENSE	183,795,165	165,692,424	18,102,741	11%	8%	8%
NET PROFIT	642,902,380	596,491,775	46,410,605	8%	29%	28%
OTHER COMPREHENSIVE INCOME (LOSS)						
REVALUATION RESERVE	-	-	-	0%	0%	0%
OTHER COMPREHENSIVE INCOME (LOSS)	-	-	-	0%	0%	0%
TOTAL COMPREHENSIVE INCOME	P 642,902,380	P 596,491,775	P 46,410,605	8%	29%	28%
Net profit attributable to:						
Parent Company's shareholders	P 569,013,771	P 542,039,970	26,973,801	5%	25%	25%
Non-controlling interest	73,888,609	54,451,805	19,436,804	36%	3%	3%
TOTAL	P 642,902,380	P 596,491,775	P 46,410,605	8%	29%	28%
Total comprehensive income attributable to:						
Parent Company's shareholders	P 569,013,771	P 542,039,970	26,973,801	5%	25%	25%
Non-controlling interest	73,888,609	54,451,805	19,436,804	36%	3%	3%
TOTAL	P 642,902,380	P 596,491,775	P 46,410,605	8%	29%	28%

Consolidated revenues for the three-month period ended March 31, 2025 amounted to Php2.2 billion. The Company's real estate sale of Php1.4 billion came mainly from sale of lots in Newcastle Shophouse, Boutique Hotel and Resorts 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 Manila Southwoods, Eastland Heights in Antipolo, Rizal, The Lindgren in Trece Martires, Cavite and sale of condominium units in Oceanway Residences One and Ocean Garden Villas in Boracay, Holland Park and Tulip Gardens in Manila Southwoods and Vineyard Residences, Belvedere, The Manor and Countrywoods in Twin Lakes, Laurel, Batangas. Hotel revenues increased by 48% from Php201.6 million as of March 31, 2024 to Php298.0 million as of March 31, 2025 mainly due to the continued rise of local tourism and travel. Balance of revenues was contributed by rental income of Php143.6 million, marketing fees of Php32.6 million, finance and other income of Php257.5 million, and Php69.9 million service income.

Cost and expenses posted an increase of Php60.8 million or 4% mainly due to increase in cost of hotel operations, cost of rentals and services, operating expenses and finance cost.

The company posted a Php642.9 million Net Income for the period ended March 31, 2025.

Major Movements of Income Statement Accounts are as follows:
(Increase/decrease of 5% or more versus March 31, 2024)

- 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.
- 48% Increase in Hotel revenues – due to continued rise of local tourism and travel.
- 12% Increase in Rental Income – due to increase in occupancy rate and tenant sales for the period.
- 32% Increase in Service income – due to higher service income for the period.
- 1600% Increase in Marketing fees – due to increase in marketing income from sale of joint venture partners' inventory.
- 78% 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.
- 19% Decrease in Cost of real estate sales – mainly due to decrease in real estate sales for the year.
- 9% Increase in Cost of rentals and services – mainly directly related to the increase in service income.
- 16% Increase in Cost of hotel operations – directly related to the increase in hotel revenue.
- 32% Increase in Operating expenses – mainly due to increase in expenses directly related to increase in revenue from hotel operations and other administrative expenses.
- 55% Increase in Finance cost and other charges – mainly due to implementation of new accounting standard related on borrowing cost for real estate industry.
- 11% Increase in Income tax expense – due to increase of taxable income.

Financial Condition

	Unaudited	Audited	Horizontal Analysis		Vertical Analysis	
	1Q2025	2024	Inc. (Dec.)	%	1Q2025	2024
Cash and Cash equivalent	1,528,256,642	2,294,241,764	(765,985,122)	-33%	2%	4%
Trade and other receivables - net	12,148,434,191	11,567,141,423	581,292,768	5%	19%	18%
Contract Assets	4,688,184,594	4,473,585,570	214,599,024	5%	7%	7%
Advances to real property owners	50,643,656	45,424,169	5,219,487	11%	0%	0%
Advances to related parties	589,119,187	555,801,049	33,318,138	6%	1%	1%
Inventories	19,786,227,800	19,811,862,169	(25,634,369)	0%	31%	32%
Prepayments and other current assets	4,672,619,713	4,634,292,827	38,326,886	1%	7%	7%
TOTAL CURRENT ASSETS	43,463,485,783	43,382,348,971	81,136,812	0%	69%	69%
Trade and other receivables - net	3,618,507,452	3,757,018,414	(138,510,962)	-4%	6%	6%
Contract Assets	860,576,921	526,379,353	334,197,568	63%	1%	1%
Advances to real estate property owners	1,357,826,561	1,324,000,935	33,825,625	3%	2%	2%
Investment in associates	731,407,570	731,407,570	-	0%	1%	1%
Investment Properties - net	11,922,857,148	11,876,841,656	46,015,492	0%	19%	19%
Property and equipment - net	931,570,887	897,342,019	34,228,868	4%	1%	1%
Right-of-use asset	124,751,268	121,739,208	3,012,060	2%	0%	0%
Other non-current assets	191,407,388	233,027,396	(41,620,008)	-18%	0%	0%
TOTAL NON-CURRENT ASSETS	19,738,905,195	19,467,756,551	271,148,643	1%	31%	31%
TOTAL ASSETS	63,202,390,978	62,850,105,522	352,285,455	1%	100%	100%
Interest bearing loans and borrowings	1,918,879,485	1,908,200,000	10,679,485	1%	3%	3%
Trade and other payables	4,798,776,420	5,123,765,855	(324,989,435)	-6%	8%	8%
Contract liabilities	617,266,697	86,684,170	530,582,527	613%	1%	0%
Due to joint venture partners	504,243,924	491,051,555	13,192,369	3%	1%	1%
Advances from related parties	664,533,478	645,983,964	18,549,514	3%	1%	1%
Customer's deposit	1,019,986,768	1,293,781,652	(273,794,884)	-21%	2%	2%
Lease liabilities	50,496,398	45,922,954	4,573,444	10%	0%	0%
TOTAL CURRENT LIABILITIES	9,574,183,170	9,595,390,150	(21,206,980)	0%	15%	15%
Interest bearing loans and borrowings	7,157,822,957	7,603,919,109	(446,096,152)	-6%	11%	12%
Contract liabilities	278,820,491	262,195,658	16,624,833	6%	0%	0%
Customer's deposit	98,144,924	53,829,261	44,315,663	82%	0%	0%
Retirement benefit obligation	187,876,806	188,592,383	(715,577)	0%	0%	0%
Deferred tax liability	3,493,478,285	3,442,881,985	50,596,300	1%	6%	5%
Lease liabilities	426,572,600	419,873,334	6,699,266	2%	1%	1%
Other non-current liabilities	618,517,158	577,727,973	40,789,185	7%	1%	1%
TOTAL NON-CURRENT LIABILITIES	12,261,233,221	12,549,019,703	(287,786,482)	-2%	19%	20%
TOTAL LIABILITIES	21,835,416,391	22,144,409,853	(308,993,462)	-1%	35%	35%
EQUITY						
Capital stock	10,986,000,000	10,986,000,000	-	0%	17%	17%
Additional paid-in capital	4,747,739,274	4,747,739,274	-	0%	8%	8%
Revaluation reserves	70,709,687	52,333,151	18,376,536	35%	0%	0%
Retained earnings	18,980,006,371	18,410,992,600	569,013,771	3%	30%	29%
Equity attributable to shareholders of the Parent Company	34,784,455,332	34,197,065,025	587,390,307	2%	55%	54%
Non-controlling interest	6,582,519,254	6,508,630,644	73,888,610	1%	10%	10%
Total Equity	41,366,974,586	40,705,695,669	661,278,917	2%	65%	65%
TOTAL LIABILITIES AND EQUITY	63,202,390,978	62,850,105,522	352,285,455	1%	100%	100%

The Group's financial position remained stable. Total assets as of March 31, 2025, Php63.2 billion compared to Php62.9 billion as of December 31, 2024, posted an increase of Php352.3 million. Cash and cash equivalents decreased by 33% due to payment to contractors and suppliers for ongoing development of various projects and payment of interest-bearing loans, from Php2.3 billion as of December 2024 to Php1.5 billion as of March 2025. Contract assets increased by 11%, from Php5.0

billion as of December 2024 to Php5.5 billion as of March 2025 due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection. Advances to related parties increased by 6% from Php555.8 million as of December 2024 to Php589.1 million as of March 2025.

Trade and other payables decreased by 6% from Php5.1 billion as of December 2024 to Php4.8 billion as of March 2025 due to payments to contractors and suppliers. Interest-bearing loans and borrowings decreased by 5% due to payment of principal of interest-bearing loan. Contract liabilities increased by 157% from Php348.9 million as of December 2024 to Php896.1 million as of March 2025 due to increase of sales from uncompleted projects with lower percentage of completion than percentage of collection. Customer's deposit decreased by Php229.5 million or 17% due to installment sales recognized for the period, from Php1.3 billion as of December 2024 to Php1.1 billion as of March 2025. Other non-current liabilities increased by 7% due to increase in security deposits from Php577.7 million as of December 2024 to Php618.5 million as of March 2025.

Shareholders' Equity increased from Php40.7 billion as of December 2024 to Php41.4 billion as of March 2025 mainly due to the income generated for the period.

Major movements of Balance Sheet Accounts are as follows:

- 33% Decrease in Cash and Cash equivalents – due to payment to contractors and suppliers for ongoing development of various projects and payment of interest-bearing loans.
- 11% Increase in Contract assets – due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection.
- 6% Increase in Advances to related parties – due to additional advances given to related parties.
- 6% Decrease in Trade and other payables – due to payments to contractors and suppliers.
- 5% Decrease in Interest-bearing loans and borrowings – due to payment of principal of interest-bearing loan.
- 157% Increase in Contract liabilities – due to increase of sales from uncompleted projects with lower percentage of completion than percentage of collection.
- 17% Decrease in Customer's deposit – due to installment sales recognized for the period.
- 7% Increase in Other non-current liabilities – due to increase in security deposits.

Others

As of the year ended March 31, 2025, there are no:

- a. Known trend, demands, commitments, events or uncertainties that would have a material impact on the liquidity of the Company.
- b. Material commitments for capital expenditures, the general purpose of such commitments 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 items of the Company's financial operations.
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations.

- g. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- h. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities of other persons created during the reporting period.

Review for the year ended December 31, 2024

Results of Operations

	Audited		Horizontal Analysis		Vertical Analysis	
	2024	2023, as restated	Inc. (Dec.)	%	2024	2023
REVENUES AND INCOME						
Real estate sales	P 5,885,396,891	P 6,508,829,115	(P 623,432,224)	-10%	66%	78%
Hotel operations	956,318,317	567,165,206	389,153,111	69%	11%	7%
Rental income	584,179,297	551,559,805	32,619,492	6%	7%	7%
Service income	248,232,198	191,002,197	57,230,001	30%	3%	2%
Marketing fees	40,897,618	72,567,468	(31,669,850)	-44%	0%	1%
Finance and other income	1,171,495,292	447,540,825	723,954,467	162%	13%	5%
TOTAL REVENUE	8,886,519,613	8,338,664,616	547,854,997	7%	100%	100%
COSTS AND EXPENSES						
Cost of real estate sales	2,422,416,935	2,798,985,876	(376,568,941)	-13%	27%	34%
Cost of rentals and services	371,395,395	365,948,174	5,447,221	1%	4%	4%
Cost of hotel operations	528,879,515	297,442,621	231,436,894	78%	6%	4%
Other operating expenses	2,020,349,166	1,571,114,937	449,234,229	29%	23%	19%
Finance costs and other charges	837,329,141	378,439,296	458,889,845	121%	9%	5%
TOTAL COSTS AND EXPENSES	6,180,370,152	5,411,930,904	768,439,248	14%	70%	65%
PROFIT BEFORE TAX	2,706,149,461	2,926,733,712	(220,584,251)	-8%	30%	35%
TAX EXPENSE	549,542,890	816,757,817	(267,214,927)	-33%	6%	10%
NET PROFIT	2,156,606,571	2,109,975,895	46,630,676	2%	24%	25%
OTHER COMPREHENSIVE INCOME (LOSS)						
REVALUATION RESERVE	(10,333,204)	(8,837,718)	(1,495,486)	17%	0%	0%
OTHER COMPREHENSIVE INCOME (LOSS)	(10,333,204)	(8,837,718)	(1,495,486)	17%	0%	0%
TOTAL COMPREHENSIVE INCOME	P 2,146,273,367	P 2,101,138,177	P 45,135,190	2%	24%	24%
Net profit attributable to:						
Parent Company's shareholders	P 1,780,517,595	P 1,840,185,198	(59,667,603)	-3%	20%	22%
Non-controlling interest	376,088,976	269,790,697	106,298,279	39%	4%	3%
TOTAL	P 2,156,606,571	P 2,109,975,895	P 46,630,676	2%	24%	25%
Total comprehensive income attributable to:						
Parent Company's shareholders	P 1,770,184,391	P 1,831,347,480	(61,163,089)	-3%	20%	22%
Non-controlling interest	376,088,976	269,790,697	106,298,279	39%	4%	3%
TOTAL	P 2,146,273,367	P 2,101,138,177	P 45,135,190	2%	24%	25%

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

	Audited		Horizontal Analysis		Vertical Analysis	
	2024	December 31, 2023, as restated	Inc. (Dec.)	%	2024	2023
Cash and Cash equivalent	2,294,241,764	2,126,242,354	167,999,410	8%	4%	3%
Trade and other receivables - net	11,567,141,423	8,748,155,409	2,818,986,014	32%	18%	14%
Contract Assets	4,473,585,570	4,002,000,089	471,585,481	12%	7%	6%
Advances to real property owners	45,424,169	43,536,149	1,888,019	4%	0%	0%
Advances to related parties	555,801,049	567,858,131	(12,057,082)	-2%	1%	1%
Inventories	19,811,862,169	21,153,887,807	(1,342,025,638)	-6%	32%	34%
Prepayments and other current assets	4,634,292,827	4,512,403,499	121,889,328	3%	7%	7%
TOTAL CURRENT ASSETS	43,382,348,971	41,154,083,438	2,228,265,532	5%	69%	67%
Trade and other receivables - net	3,757,018,414	5,029,437,719	(1,272,419,305)	-25%	6%	8%
Contract Assets	526,379,353	1,805,263,926	(1,278,884,573)	-71%	1%	3%
Advances to real estate property owners	1,324,000,935	1,293,330,994	30,669,942	2%	2%	2%
Investment in associates	731,407,570	732,082,333	(674,763)	0%	1%	1%
Investment Properties - net	11,876,841,656	10,552,467,526	1,324,374,130	13%	19%	17%
Property and equipment - net	897,342,019	879,823,190	17,518,829	2%	1%	1%
Right-of-use asset	121,739,208	174,741,364	(53,002,156)	-30%	0%	0%
Other non-current assets	233,027,396	166,060,109	66,967,287	40%	0%	0%
TOTAL NON-CURRENT ASSETS	19,467,756,551	20,633,207,161	(1,165,450,609)	-6%	31%	33%
TOTAL ASSETS	62,850,105,522	61,787,290,599	1,062,814,923	2%	100%	100%
Interest bearing loans and borrowings	1,908,200,000	1,527,430,205	380,769,795	25%	3%	2%
Trade and other payables	5,123,765,855	4,578,282,611	545,483,244	12%	8%	7%
Contract liabilities	86,684,170	479,315,525	(392,631,355)	-81%	0%	1%
Due to joint venture partners	491,051,555	493,245,600	(2,194,045)	0%	1%	1%
Advances from related parties	645,983,964	692,155,728	(46,171,764)	-7%	1%	1%
Customer's deposit	1,293,781,652	646,053,302	647,728,350	100%	2%	1%
Lease liabilities	45,922,954	51,944,177	(6,021,223)	-12%	0%	0%
TOTAL CURRENT LIABILITIES	9,595,390,150	8,468,427,148	1,126,963,002	13%	15%	14%
Interest bearing loans and borrowings	7,603,919,109	7,966,639,384	(362,720,275)	-5%	12%	13%
Contract liabilities	262,195,658	446,497,334	(184,301,676)	-41%	0%	1%
Customer's deposit	53,829,261	591,620,464	(537,791,203)	-91%	0%	1%
Retirement benefit obligation	188,592,383	142,618,469	45,973,914	32%	0%	0%
Deferred tax liability	3,442,881,985	3,282,401,885	160,480,100	5%	5%	5%
Lease liabilities	419,873,334	465,796,288	(45,922,954)	-10%	1%	1%
Other non-current liabilities	577,727,973	495,027,399	82,700,574	17%	1%	1%
TOTAL NON-CURRENT LIABILITIES	12,549,019,703	13,390,601,223	(841,581,520)	-6%	20%	22%
TOTAL LIABILITIES	22,144,409,853	21,859,028,371	285,381,482	1%	35%	35%
EQUITY						
Capital stock	10,986,000,000	10,986,000,000	-	0%	17%	18%
Additional paid-in capital	4,747,739,274	4,747,739,274	-	0%	8%	8%
Revaluation reserves	52,333,151	62,666,355	(10,333,204)	-16%	0%	0%
Retained earnings	18,410,922,600	17,729,120,394	681,872,206	4%	29%	29%
Equity attributable to shareholders of the Parent						
Company	34,197,065,025	33,525,526,023	671,539,002	2%	54%	54%
Non-controlling interest	6,508,630,644	6,402,736,205	105,894,439	2%	10%	10%
Total Equity	40,705,695,669	39,928,262,228	777,433,441	2%	65%	65%
TOTAL LIABILITIES AND EQUITY	62,850,105,522	61,787,290,599	1,062,814,923	2%	100%	100%

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 of 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 Php33.5 billion to Php34.2 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.

Others

As of the year ended December 31, 2024, there are no:

- a. Known trend, demands, commitments, events or uncertainties that would have a material impact on the liquidity of the Company.
- b. Material commitments for capital expenditures, the general purpose of such commitments 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 items of the Company's financial operations.
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations.
- g. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- h. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities of other persons created during the reporting period.

Review for the year ended December 31, 2023 as restated

Results of Operations

	Audited		Horizontal Analysis		Vertical Analysis	
	2023 as restated	2022 as restated	Inc. (Dec.)	%	2023	2022
REVENUES AND INCOME						
Real estate sales	P 6,508,829,115	P 5,899,854,122	P 608,974,993	10%	78%	80%
Hotel operations	567,165,206	420,470,075	146,695,131	35%	7%	6%
Rental income	551,559,805	455,961,990	95,597,815	21%	7%	6%
Service income	191,002,197	138,379,243	52,622,954	38%	2%	2%
Marketing fees	72,567,468	68,717,195	3,850,273	6%	1%	1%
Finance and other income	447,540,825	346,907,590	100,633,235	29%	5%	5%
TOTAL REVENUE	8,338,664,616	7,330,290,215	1,008,374,401	14%	100%	100%
COSTS AND EXPENSES						
Cost of real estate sales	2,798,985,876	2,144,625,053	654,360,823	31%	34%	29%
Cost of rentals and services	365,948,174	319,643,144	46,305,030	14%	4%	4%
Cost of hotel operations	297,442,621	191,572,019	105,870,602	55%	4%	3%
Other operating expenses	1,571,114,937	1,487,531,823	83,583,114	6%	19%	20%
Finance costs and other charges	378,439,296	400,358,698	(21,919,402)	-5%	5%	5%
TOTAL COSTS AND EXPENSES	5,411,930,904	4,543,730,737	868,200,167	19%	65%	62%
PROFIT BEFORE TAX	2,926,733,712	2,786,559,478	140,174,234	5%	35%	38%
TAX EXPENSE	816,757,817	702,803,615	113,954,202	16%	10%	10%
NET PROFIT	2,109,975,895	2,083,755,863	26,220,032	1%	25%	28%
OTHER COMPREHENSIVE INCOME (LOSS)						
REVALUATION RESERVE	(8,837,718)	38,918,313	(47,756,031)	-123%	0%	1%
OTHER COMPREHENSIVE INCOME (LOSS)	(8,837,718)	38,918,313	(47,756,031)	-123%	0%	1%
TOTAL COMPREHENSIVE INCOME	P 2,101,138,177	P 2,122,674,176	(P 21,535,999)	-1%	25%	25%
Net profit attributable to:						
Parent Company's shareholders	P 1,840,185,198	P 1,789,342,344	50,842,854	3%	22%	24%
Non-controlling interest	269,790,697	294,413,519	(24,622,822)	-8%	3%	4%
TOTAL	P 2,109,975,895	P 2,083,755,863	P 26,220,032	1%	25%	28%
Total comprehensive income attributable to:						
Parent Company's shareholders	P 1,831,347,480	P 1,828,260,657	3,086,823	0%	22%	25%
Non-controlling interest	269,790,697	294,413,519	(24,622,822)	-8%	3%	4%
TOTAL	P 2,101,138,177	P 2,122,674,176	(P 21,535,999)	-1%	25%	29%

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

	Audited		Horizontal Analysis		Vertical Analysis	
	December 31, 2023, as restated	January 1, 2023, as restated	Inc. (Dec.)	%	2023	2022
Cash and Cash equivalent	2,126,242,354	2,354,706,901	(228,464,547)	-10%	3%	4%
Trade and other receivables - net	8,748,155,409	8,607,314,942	140,840,467	2%	14%	15%
Contract Assets	4,002,000,089	3,438,659,294	563,340,795	16%	6%	6%
Advances to real property owners	43,536,149	55,896,013	(12,359,864)	-22%	0%	0%
Advances to related parties	567,858,131	672,948,672	(105,090,541)	-16%	1%	1%
Inventories	21,153,887,807	20,023,795,404	1,130,092,403	6%	34%	35%
Prepayments and other current assets	4,512,403,499	3,949,207,036	563,196,463	14%	7%	7%
TOTAL CURRENT ASSETS	41,154,083,438	39,102,528,262	2,051,555,176	5%	67%	68%
Trade and other receivables - net	5,029,437,719	3,220,535,535	1,808,902,184	56%	8%	6%
Contract Assets	1,805,263,926	1,062,583,443	742,680,483	70%	3%	2%
Advances to real estate property owners	1,293,330,994	1,272,206,783	21,124,211	2%	2%	2%
Investment in associates	732,082,333	731,197,235	885,098	0%	1%	1%
Investment Properties - net	10,552,467,526	10,705,712,498	(153,244,972)	-1%	17%	19%
Property and equipment - net	879,823,190	883,770,248	(3,947,058)	0%	1%	2%
Right-of-use asset	174,741,364	214,283,001	(39,541,637)	-18%	0%	0%
Other non-current assets	166,060,109	148,190,871	17,869,238	12%	0%	0%
TOTAL NON-CURRENT ASSETS	20,633,207,161	18,238,479,614	2,394,727,547	13%	33%	32%
TOTAL ASSETS	61,787,290,599	57,341,007,876	4,446,282,723	8%	100%	100%
Interest bearing loans and borrowings	1,527,430,205	1,587,254,907	(59,824,702)	-4%	2%	3%
Trade and other payables	4,578,282,611	4,064,589,034	513,693,577	13%	7%	7%
Contract liabilities	479,315,525	595,562,676	(116,247,151)	-19%	1%	1%
Due to joint venture partners	493,245,600	386,706,191	106,539,409	28%	1%	1%
Advances from related parties	692,155,728	851,450,654	(159,294,926)	-19%	1%	1%
Customer's deposit	646,053,302	1,384,011,046	(737,957,744)	-53%	1%	2%
Lease liabilities	51,944,177	43,931,742	8,012,435	18%	0%	0%
TOTAL CURRENT LIABILITIES	8,468,427,148	8,913,506,250	(445,079,102)	-5%	14%	16%
Interest bearing loans and borrowings	7,966,639,384	6,018,414,593	1,948,224,791	32%	13%	10%
Contract liabilities	446,497,334	310,926,830	135,570,504	44%	1%	1%
Customer's deposit	591,620,464	97,981,763	493,638,701	504%	1%	0%
Retirement benefit obligation	142,618,469	111,012,219	31,606,250	28%	0%	0%
Deferred tax liability	3,282,401,885	2,665,766,500	616,635,385	23%	5%	5%
Lease liabilities	465,796,288	511,064,915	(45,268,627)	-9%	1%	1%
Other non-current liabilities	495,027,399	513,118,898	(18,091,499)	-4%	1%	1%
TOTAL NON-CURRENT LIABILITIES	13,390,601,223	10,228,285,718	3,162,315,505	31%	22%	18%
TOTAL LIABILITIES	21,859,028,371	19,141,791,969	2,717,236,402	14%	35%	33%
EQUITY						
Capital stock	10,986,000,000	10,986,000,000	-	0%	18%	19%
Additional paid-in capital	4,747,739,274	4,747,739,274	-	0%	8%	8%
Revaluation reserves	62,666,355	71,504,073	(8,837,718)	-12%	0%	0%
Retained earnings	17,729,120,394	16,013,019,982	1,716,100,412	11%	29%	28%
Equity attributable to shareholders of the Parent						
Company	33,525,526,023	31,818,263,329	1,707,262,694	5%	54%	55%
Non-controlling interest	6,402,736,205	6,380,952,578	21,783,627	0%	10%	11%
Total Equity	39,928,262,228	38,199,215,907	1,729,046,321	5%	65%	67%
TOTAL LIABILITIES AND EQUITY	61,787,290,599	57,341,007,876	4,446,282,723	8%	100%	100%

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 Php38.2 billion to Php39.9 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)*

- 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.

Others

As of the year ended December 31, 2023, there are no:

- a. Known trend, demands, commitments, events or uncertainties that would have a material impact on the liquidity of the Company.
- b. Material commitments for capital expenditures, the general purpose of such commitments 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 items of the Company's financial operations.
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations.
- g. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- h. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities of other persons created during the reporting period.

Review for the year ended December 31, 2022 as restated

Results of Operations

	Audited		Horizontal Analysis		Vertical analysis	
	2022 as restated	2021	Inc. (Dec.)	%	2022	2021
REVENUES AND INCOME						
Real estate sales	P 5,899,854,122	P 3,717,314,154	P 2,182,539,968	59%	80%	75%
Rental income	455,961,990	408,929,904	47,032,086	12%	6%	8%
Marketing fees	68,717,195	148,531,430	(79,814,235)	-54%	1%	3%
Hotel operations	420,470,075	145,950,403	274,519,672	188%	6%	3%
Service income	138,379,243	131,419,980	6,959,263	5%	2%	3%
Finance and other income	346,907,590	433,968,542	(87,060,952)	-20%	5%	9%
TOTAL REVENUE	7,330,290,215	4,986,114,413	2,344,175,802	47%	100%	100%
COSTS AND EXPENSES						
Cost of real estate sales	2,144,625,053	1,628,491,489	516,133,564	32%	29%	33%
Cost of rentals and services	319,643,144	344,233,070	(24,589,926)	-7%	4%	7%
Cost of hotel operations	191,572,019	75,864,785	115,707,234	153%	3%	2%
Other operating expenses	1,487,531,823	1,044,689,038	442,842,785	42%	20%	21%
Finance costs and other charges	400,358,698	221,106,628	179,252,070	81%	5%	4%
TOTAL COSTS AND EXPENSES	4,543,730,737	3,314,385,010	1,229,345,727	37%	62%	66%
PROFIT BEFORE TAX	2,786,559,478	1,671,729,403	1,114,830,075	67%	38%	34%
TAX EXPENSE	702,803,615	177,036,359	525,767,256	297%	10%	4%
NET PROFIT	2,083,755,863	1,494,693,044	589,062,819	39%	28%	30%
OTHER COMPREHENSIVE INCOME (LOSS)						
Revaluation reserve	38,918,313	24,957,294	13,961,019	56%	1%	1%
OTHER COMPREHENSIVE INCOME (LOSS)	38,918,313	24,957,294	13,961,019	56%	1%	1%
TOTAL COMPREHENSIVE INCOME	P 2,122,674,176	P 1,519,650,338	P 603,023,838	40%	29%	30%
Net profit attributable to:						
Parent Company's shareholders	P 1,789,342,344	P 1,311,281,638	478,060,706	36%	24%	26%
Non-controlling interest	294,413,519	183,411,406	111,002,113	61%	4%	4%
TOTAL	P 2,083,755,863	P 1,494,693,044	P 589,062,819	39%	28%	30%
Total comprehensive income attributable to:						
Parent Company's shareholders	P 1,828,260,657	P 1,336,238,932	492,021,725	37%	25%	27%
Non-controlling interest	294,413,519	183,411,406	111,002,113	61%	4%	4%
TOTAL	P 2,122,674,176	P 1,519,650,338	P 603,023,838	40%	29%	30%

For the year ended December 31, 2022 the Group's consolidated net income amounted to Php2.08 billion, a 39% increase from the December 31, 2021 net income of Php1.49 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 January 1, 2023 as restated and as of January 1, 2022 as restated)

	Audited		Horizontal Analysis		Vertical Analysis	
	January 1, 2023, as restated	January 1, 2022, as restated	Inc. (Dec.)	%	2023	2022
Cash and Cash equivalent	2,354,706,901	3,949,449,148	(1,594,742,247)	-40%	4%	7%
Trade and other receivables - net	8,607,314,942	7,594,232,886	1,013,082,056	13%	15%	14%
Contract Assets	3,438,659,294	1,914,210,251	1,524,449,043	80%	6%	4%
Advances to real property owners	55,896,013	45,442,620	10,453,393	23%	0%	0%
Advances to related parties	672,948,672	714,141,424	(41,192,752)	-6%	1%	1%
Inventories	20,023,795,404	18,872,379,522	1,151,415,882	6%	35%	35%
Prepayments and other current assets	3,949,207,036	3,245,392,771	703,814,265	22%	7%	6%
TOTAL CURRENT ASSETS	39,102,528,262	36,335,248,622	2,767,279,640	8%	68%	67%
Trade and other receivables - net	3,220,535,535	2,501,782,413	718,753,122	29%	6%	5%
Contract Assets	1,062,583,443	1,233,089,935	(170,506,492)	-14%	2%	2%
Advances to real estate property owners	1,272,206,783	1,258,287,730	13,919,053	1%	2%	2%
Investment in associates	731,197,235	731,432,952	(235,717)	0%	1%	1%
Investment Properties - net	10,705,712,498	10,797,030,614	(91,318,116)	-1%	19%	20%
Property and equipment - net	883,770,248	912,535,908	(28,765,660)	-3%	2%	2%
Right-of-use asset	214,283,001	150,159,058	64,123,943	43%	0%	0%
Other non-current assets	148,190,871	160,092,926	(11,902,055)	-7%	0%	0%
TOTAL NON-CURRENT ASSETS	18,238,479,614	17,744,411,536	494,068,078	3%	32%	33%
TOTAL ASSETS	57,341,007,876	54,079,660,158	3,261,347,718	6%	100%	100%
Interest bearing loans and borrowings	1,587,254,907	1,387,254,907	200,000,000	14%	3%	3%
Trade and other payables	4,064,589,034	3,605,270,531	459,318,503	13%	7%	7%
Contract liabilities	595,562,676	491,603,288	103,959,388	22%	1%	1%
Due to joint venture partners	386,706,191	400,238,268	(13,532,077)	-3%	1%	1%
Advances from related parties	851,450,654	850,531,858	918,796	0%	1%	2%
Redeemable preferred shares	-	251,597,580	(251,597,580)	-100%	0%	0%
Customer's deposit	1,384,011,046	1,226,743,675	157,267,371	13%	2%	2%
Lease liabilities	43,931,742	29,157,761	14,773,981	51%	0%	0%
TOTAL CURRENT LIABILITIES	8,913,506,250	8,242,397,868	671,108,382	8%	16%	15%
Interest bearing loans and borrowings	6,018,414,593	6,105,669,497	(87,254,904)	-1%	10%	11%
Contract liabilities	310,926,830	267,065,145	43,861,685	16%	1%	0%
Customer's deposit	97,981,763	73,650,170	24,331,593	33%	0%	0%
Retirement benefit obligation	111,012,219	127,234,441	(16,222,222)	-13%	0%	0%
Deferred tax liability	2,665,766,500	2,135,571,400	530,195,100	25%	5%	4%
Lease liabilities	511,064,915	442,785,024	68,279,891	15%	1%	1%
Other non-current liabilities	513,118,898	597,836,442	(84,717,544)	-14%	1%	1%
TOTAL NON-CURRENT LIABILITIES	10,228,285,718	9,749,812,119	478,473,599	5%	18%	18%
TOTAL LIABILITIES	19,141,791,969	17,992,209,987	1,149,581,982	6%	33%	33%
EQUITY						
Capital stock	10,986,000,000	10,986,000,000	-	0%	19%	20%
Additional paid-in capital	4,747,739,274	4,747,739,274	-	0%	8%	9%
Revaluation reserves	71,504,073	32,585,760	38,918,313	119%	0%	0%
Retained earnings	16,013,019,982	14,234,586,078	1,778,433,904	12%	28%	26%
Equity attributable to shareholders of the						
Parent Company	31,818,263,329	30,000,911,112	1,817,352,217	6%	55%	55%
Non-controlling interest	6,380,952,578	6,086,539,059	294,413,519	5%	11%	11%
Total Equity	38,199,215,907	36,087,450,171	2,111,765,736	6%	67%	67%
TOTAL LIABILITIES AND EQUITY	57,341,007,876	54,079,660,158	3,261,347,718	6%	100%	100%

The Group's financial position remained stable and with adequate capacity to support its growth. Total Assets of Php57.3 billion as of December 31, 2022 as restated compared to Php54.1 billion as of January 1, 2022 as restated posted an increase of Php3.3 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 Php3.9 billion as of January 1, 2022 as restated to Php2.4 billion as of December 31, 2022 as restated. Trade and other receivables increased by 17% due to installment sales booked for the year, from Php10.1 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 Php3.1 billion as of January 1, 2022 as restated to Php4.5 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 Php18.9 billion as of January 1, 2022 as restated to Php20.0 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 Php3.4 billion as of January 1, 2022 as restated to Php4.1 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 Php36.1 billion to Php38.2 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.
- 23% decrease in Right of use-asset – due to amortization 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.

Others

As of the year ended December 31, 2022, there are no:

- a. Known trend, demands, commitments, events or uncertainties that would have a material impact on the liquidity of the Company.
- b. Material commitments for capital expenditures, the general purpose of such commitments 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 items of the Company's financial operations.
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations.
- g. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

- h. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities of other persons created during the reporting period.

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 27 June 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.

AUDIT AND AUDIT- RELATED FEES

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 Php2.31 million, Php1.95 million, and Php1.73 million, respectively.

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

Item 9. Market for Registrant's Common Equity and Related Stockholder Matters

(1) Stock Prices

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
<u>First Quarter</u>	0.58	0.50
2024	High	Low
<u>First Quarter</u>	0.94	0.80
<u>Second Quarter</u>	0.89	0.89
<u>Third Quarter</u>	0.75	0.70
<u>Fourth Quarter</u>	0.64	0.60

2023	High	Low
<u>First Quarter</u>	0.91	0.89
<u>Second Quarter</u>	0.89	0.84
<u>Third Quarter</u>	0.87	0.79
<u>Fourth Quarter</u>	0.95	0.80
2022	High	Low
<u>First Quarter</u>	0.94	0.89
<u>Second Quarter</u>	0.92	0.83
<u>Third Quarter</u>	0.96	0.84
<u>Fourth Quarter</u>	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 April 30, 2025 is Php0.57 per share.

(2) **Holders**

GERI has a total of about 4,125 common shareholders as of April 30, 2024.

TOP 20 STOCKHOLDERS AS OF APRIL 30, 2025*

	STOCKHOLDER'S NAME	NO. OF SHARES	% OF OWNERSHIP
1	MEGAWORLD CORPORATION	9,035,638,139	82.247
2	PCD NOMINEE CORPORATION (FILIPINO)	1,464,861,560	13.334
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)	15,690,676	0.143
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 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

**Pertains to Direct Shares owned by the Stockholders. For Megaworld Corporation, it also has 27,356,000 indirect shares. In all, its direct and indirect shares are 9,062,994,139, with 82.49% ownership.*

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, Php 17.7 billion in December 31, 2023, and Php 16.0 billion in December 31, 2022, and 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.

(4) Recent Sale 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.

Discussion on Compliance with Leading Practice on 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 shall serve to institutionalize GERI's principles of good corporate governance. For this purpose, the Board of Directors, the Management, the employees and the shareholders of GERI shall exert utmost efforts to promote and encourage awareness of these principles, with the end in view of fostering a corporate environment grounded on sound strategic business management. The Manual guides the Board of Directors and Officers of the Company in their decisions and actions. The Manual also provides for the establishment of an internal self-rating system to determine and measure compliance by the Board and Management to the Manual.

Conformably with the Manual, the Company's directors and key officers attended a Corporate Governance Seminars in 2024, which seminars were conducted by the conducted by P&A Grant Thornton, Institute of Corporate Directors and Center for Global Practices

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

The Company affirms its deep commitment to a high standard of corporate governance practice firmly anchored on the principles of good corporate governance applied throughout the institution with the end view of fostering a corporate environment grounded on sound strategic business management. The Company's good market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

Undertaking to Provide Annual Report

THE CORPORATION UNDERTAKES TO PROVIDE EACH STOCKHOLDER WITHOUT CHARGE A COPY OF ITS ANNUAL REPORT ON SEC FORM 17-A UPON WRITTEN REQUEST ADDRESSED TO EITHER OF:

Atty. Maria Carla T. Uykim
Corporate Secretary
9th Floor, Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

Banco de Oro Unibank, Inc.
Stock Transfer Department
Makati Ave. Cor. H.V. dela Costa St.
Makati City

ANNEX “C”

Disclosure Requirements under Section 49 of the Revised Corporation Code

Global-Estate Resorts, Inc.

DISCLOSURE REQUIREMENTS UNDER SECTION 49 OF THE REVISED CORPORATION CODE

<i>List of Required Information</i>	<i>Source/Reference</i>
a) The minutes of the most recent regular meeting which shall include, among others:	
(1) A description of the voting and vote tabulation procedures used in the previous meeting	Please refer to the Minutes of the Annual Stockholders' Meeting held on 27 June 2024, which is uploaded in the Company's website: https://geri.com.ph/company-disclosures/type/annual-stockholders-meeting/
(2) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given	Please refer to the Minutes of the Annual Stockholders' Meeting held on 27 June 2024, which is uploaded in the Company's website.
(3) The matters discussed and resolutions reached	Please refer to the Minutes of the Annual Stockholders' Meeting held on 27 June 2024, which is uploaded in the Company's website.
(4) A record of the voting results for each agenda item	Please refer to the Minutes of the Annual Stockholders' Meeting held on 27 June 2024, which is uploaded in the Company's website.
(5) A list of the directors or trustees, officers and stockholders or members who attended the meeting	Please refer to the Minutes of the Annual Stockholders' Meeting held on 27 June 2024, which is uploaded in the Company's website.
(6) Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders.	Please refer to the Minutes of the Annual Stockholders' Meeting held on 27 June 2024, which is uploaded in the Company's website.
b) Material information on the current stockholders, and their voting rights	Please refer to Part I, Item B, Item 4 on Voting Securities and Principal Holders Thereof of the Information Statement (pages 9 to 10).
c) A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs	Please refer to the following documents which are attached to the Information Statement: (1) Part on Financial Information in the Company's Management Report (pages 15 to 33) [Annex "B"); (2) 2024 Audited Financial Statement (Annex "D"); (3) Quarterly Report for the period ending March 31, 2025 (Annex "E").
d) A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees	Please refer to the 2024 Audited Financial Statement attached as Annex "D" of the Information Statement.

<i>List of Required Information</i>	<i>Source/Reference</i>
e) An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof	Please refer to the portion on Dividends in the Company's Management Report (page 35) that is attached to the Information Statement as Annex "B".
f) Director or trustee profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations	Please refer to Part I, B, Item 5 Directors and Executive Officers (pages 11 to 16) of the Information Statement.
g) A director or trustee attendance report, indicating the attendance of each director or trustee at each of the meetings of the board and its committees and in regular or special stockholder meetings	Kindly refer to Part I, B, Item 6 Compensation of Directors and Officers, particularly the last sentence under the heading "Directors" (Page 20) of the Information Statement.
h) Appraisals and performance reports for the board and the criteria and procedure for assessment	Please refer to the portion on Discussion on Compliance with Leading Practice on Corporate Governance in the Company's Management Report (page 35-36) that is attached to the Information Statement as Annex "B".
i) A director or trustee compensation report prepared in accordance with this Code and the rules the Commission may prescribe	Please refer to Part I, B, Item 6 Compensation of Directors and Officers (Pages 19 to 21) of the Information Statement.
j) Director disclosures on self-dealings and related party transactions	Please see page 18 of the Information Statement pertaining to "Certain Relationships and Related Transactions"
k) The profiles of directors nominated or seeking election or reelection.	Please refer to Part I, B, Item 5 Directors and Officers (pages 11 to 17) of the Information Statement.

ANNEX “D”

**Audited Financial Statements
(Consolidated)**



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 14, 2025 11:07:44 AM

Company Information

SEC Registration No.: AS94004462

Company Name: GLOBAL-ESTATE RESORTS, INC.

Industry Classification: K70120

Company Type: Stock Corporation

Document Information

Document ID: OST10414202583167310

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents



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
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 02 APR 2025 day of QUEZON CITY, Philippines, affiant(s) exhibited to me their respective Identification Cards, as follows:

NAMES

Identification Number

Andrew L. Tan
Monica T. Salomon
Lailani V. Villanueva

TIN 125-960-003-000
TIN 182-240-560-000
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

Richard Leo M. Baldueza
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
NICLE 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)

Report of Independent Auditors

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

T +63 2 8988 2288

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)
<u>ASSETS</u>				
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		<u>29,095,490,564</u>	<u>28,122,291,263</u>	<u>26,366,784,370</u>
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		<u>19,634,732,038</u>	<u>19,240,569,203</u>	<u>17,559,153,544</u>
TOTAL ASSETS		<u>P 48,730,222,602</u>	<u>P 47,362,860,466</u>	<u>P 43,925,937,914</u>

	Notes	December 31, 2024	December 31, 2023 (As Restated – see Note 2)	January 1, 2023 (As Restated – see Note 2)
<u>LIABILITIES AND EQUITY</u>				
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		<u>4,870,065,169</u>	<u>3,679,720,007</u>	<u>4,374,380,131</u>
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		<u>8,811,597,214</u>	<u>9,350,544,564</u>	<u>6,872,593,058</u>
Total Liabilities		<u>13,681,662,383</u>	<u>13,030,264,571</u>	<u>11,246,973,189</u>
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		<u>35,048,560,219</u>	<u>34,332,595,895</u>	<u>32,678,964,725</u>
TOTAL LIABILITIES AND EQUITY		<u>P 48,730,222,602</u>	<u>P 47,362,860,466</u>	<u>P 43,925,937,914</u>

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
		<u>4,977,615,620</u>	<u>5,332,529,425</u>	<u>4,463,035,187</u>
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
		<u>2,940,575,162</u>	<u>2,957,648,022</u>	<u>2,301,502,682</u>
PROFIT BEFORE TAX		2,037,040,458	2,374,881,403	2,161,532,505
TAX EXPENSE	20	<u>212,636,070</u>	<u>588,668,748</u>	<u>466,311,253</u>
NET PROFIT		<u>1,824,404,388</u>	<u>1,786,212,655</u>	<u>1,695,221,252</u>
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	<u>3,186,950</u>	<u>2,185,786</u>	<u>(6,151,350)</u>
		<u>(9,782,970)</u>	<u>(8,496,699)</u>	<u>25,657,353</u>
TOTAL COMPREHENSIVE INCOME		<u>P 1,814,621,418</u>	<u>P 1,777,715,956</u>	<u>P 1,720,878,605</u>
EARNINGS PER SHARE				
Basic	23	<u>P 0.166</u>	<u>P 0.163</u>	<u>P 0.155</u>
Diluted	23	<u>P 0.166</u>	<u>P 0.162</u>	<u>P 0.154</u>

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 <i>(See Note 22)</i>	Additional Paid-in Capital <i>(See Note 2)</i>	Revaluation Reserves <i>(See Note 19 and 20)</i>	Retained Earnings <i>(See Notes 2 and 22)</i>	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	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 29,136,290</u>	<u>P 19,285,684,655</u>	<u>P 35,048,560,219</u>
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	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 38,919,260</u>	<u>P 18,559,937,361</u>	<u>P 34,332,595,895</u>
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	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 47,415,959</u>	<u>P 16,897,809,492</u>	<u>P 32,678,964,725</u>

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		<u>1,349,869,015</u>	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		<u>18,549,868</u>	<u>7,794,790</u>	<u>9,720,649</u>
Cash from (used in) operations		<u>182,954,218</u>	(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		<u>177,727,531</u>	(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		-	<u>63,244</u>	<u>111,235</u>
Net Cash From (Used in) Investing Activities		(161,794,105)	78,783,599	46,366,851
<i>Balance brought forward</i>		<u>P 15,933,426</u>	(P 946,064,235)	(P 965,411,507)

	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Balance carried forward</i>		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	<u>-</u>	(<u>124,084,786</u>)	<u>-</u>
Net Cash From (Used in) Financing Activities		183,277,724	<u>1,018,887,089</u>	(<u>185,097,417</u>)
Effects of Exchange Rates Changes on Cash and Cash Equivalents		558,176	<u>10,159,664</u>	<u>13,401,592</u>
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	<u>1,187,741,758</u>	<u>2,324,849,090</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 1,470,493,602	<u>P 1,270,724,276</u>	<u>P 1,187,741,758</u>

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 Compañía 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.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As previously reported</u>	<u>Restatement</u>	<u>As restated</u>
<i>Total assets</i>				
<i>Current assets</i>				
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
<i>Non-current assets</i>				
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
<i>Total liabilities</i>				
<i>Current liabilities</i>				
Contract liabilities	2.1b(ii)	(17,161,181)	(385,992)	(17,547,173)
<i>Non-current liabilities</i>				
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)	<u>168,772,596</u>	(1,984,261,599)
Impact on net assets			<u>(1,098,657,095)</u>	

(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:

<i>(Amounts in PHP)</i>	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<u>December 31, 2023:</u>			
<i>Change in Non-current Assets</i>			
Right-of-use assets - net	80,620,021	116,220,166	196,840,187
<i>Change in Current Liabilities</i>			
Lease liabilities	37,868,152	22,125,767	59,993,919
<i>Change in Non-current Liabilities</i>			
Deferred tax liabilities - net	2,157,531,761	(4,497,566)	2,153,034,195
Lease liabilities	369,724,207	<u>112,084,664</u>	481,808,871
		<u>(13,492,699)</u>	
<i>Change in Equity</i>			
Retained earnings	18,573,430,060	<u>(13,492,699)</u>	18,559,937,361
<u>January 1, 2023:</u>			
<i>Change in Non-current Assets</i>			
Right-of-use assets - net	115,784,192	98,498,808	214,283,000
<i>Change in Current Liabilities</i>			
Lease liabilities	34,166,129	9,765,613	43,931,742
<i>Change in Non-current Liabilities</i>			
Lease liabilities	408,618,893	<u>102,446,023</u>	511,064,916
		<u>(13,712,828)</u>	
<i>Change in Equity</i>			
Retained earnings	16,911,522,320	<u>(13,712,828)</u>	16,897,809,492

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

<i>(Amounts in PHP)</i>	<u>As Previously Reported</u>	<u>Restatement</u>	<u>As Restated</u>
<u>2023:</u>			
<i>Changes in Net profit and Total Comprehensive Income</i>			
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	<u>(4,497,566)</u>	588,668,748
		<u>(220,129)</u>	
Earnings per Share:			
Basic	0.163		0.163
Diluted	0.162		0.162
<u>2022:</u>			
<i>Changes in Net profit and Total Comprehensive Income</i>			
Other operating expenses	870,893,351	(5,241,815)	865,651,536
Finance costs and other charges	239,928,161	<u>8,046,203</u>	247,974,364
		<u>2,804,388</u>	
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:

<i>(Amounts in PHP)</i>	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<u>2023:</u>			
<i>Cash flows from operating activities</i>			
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	<u>8,785,520</u>	59,928,105
		23,450,323	
<i>Cash flows from financing activities</i>			
Repayments of lease liabilities	(39,848,055)	<u>(23,450,323)</u>	(63,298,378)
Effect on Cash and Cash Equivalents		<u>-</u>	

<i>(Amounts in PHP)</i>	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<u>2022:</u>			
<i>Cash flows from operating activities</i>			
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		<u>17,356,121</u>	
<i>Cash flows from financing activities</i>			
Repayments of lease liabilities	39,622,755	<u>17,356,121</u>	56,978,876
Effect on cash and cash equivalents		<u>-</u>	

(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.

Reposessed 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 reposessed 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.

- (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 Fulfill 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:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
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
		<u>1,470,493,602</u>	<u>1,270,724,276</u>

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:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
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
		<u>7,803,824,070</u>	<u>5,834,091,170</u>

<i>(Amount in PHP)</i>	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)	<u>134,217,245</u>	<u>134,217,245</u>
		<u>3,059,154,799</u>	<u>3,718,056,322</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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
	<u>5,435,764,520</u>	<u>6,458,716,157</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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
	<u>1,983,616,527</u>	<u>1,691,941,344</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Total commitment for construction expenditures	3,603,890,061	2,789,420,002
Total expenditures incurred	<u>(2,578,437,681)</u>	<u>(2,255,100,650)</u>
Net commitment	<u>1,025,452,380</u>	<u>534,319,352</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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	-
	<u>13,185,003,452</u>	<u>12,649,850,357</u>	<u>12,565,110,232</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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	<u>13,185,003,452</u>	<u>12,649,850,357</u>	<u>12,565,110,232</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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	<u>4,142,107,924</u>	<u>4,207,945,972</u>	<u>4,424,572,762</u>
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	<u>9,042,895,528</u>	<u>8,441,904,385</u>	<u>8,140,537,470</u>
Carrying amount at end of year	<u>13,185,003,452</u>	<u>12,649,850,357</u>	<u>12,565,110,232</u>

The total amount of the assets, liabilities, expenses, and net loss (income) of these subsidiaries are reported as follows:

<i>(Amounts in PHP)</i>	<u>Current Assets</u>	<u>Non-current Assets</u>	<u>Current Liabilities</u>	<u>Non-current Liabilities</u>	<u>Revenues</u>	<u>Net Income (Loss)</u>
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)

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	Explanatory Note	Net Asset Value	Ownership in Net Asset	Carrying Value
<u>2024</u>				
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	<i>(a)</i>	(109,931,975)	(109,931,975)	-
MGEI		138,185,771	82,911,463	82,911,462
BHBI	<i>(a)</i>	(84,099,740)	(84,099,740)	-
NSHC	<i>(a)</i>	(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	<i>(b)</i>	3,094,175	3,094,175	3,094,175
CHBI	<i>(c)</i>	625,000	625,000	625,000
ECLI	<i>(a)</i>	(22,848,042)	(22,848,042)	-
		<u>20,511,548,333</u>	<u>13,355,495,478</u>	<u>13,185,003,457</u>
<u>2023</u>				
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	<i>(a)</i>	(107,447,524)	(107,447,524)	-
MGEI		97,090,510	58,254,306	58,254,306
BHBI	<i>(a)</i>	(85,345,735)	(85,345,735)	-
NSHC	<i>(a)</i>	(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	<i>(a)</i>	(2,337,175)	(2,337,175)	-
ECLI	<i>(a)</i>	(14,897,703)	(14,897,703)	-
		<u>18,412,268,795</u>	<u>12,585,002,642</u>	<u>12,649,850,357</u>

(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.

<i>(Amounts in PHP)</i>	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	<u>(83,256,056)</u>	<u>(188,617,487)</u>	<u>(109,375,112)</u>	<u>(381,248,655)</u>
Net carrying amount	<u>11,989,229</u>	<u>63,947,043</u>	<u>50,346,076</u>	<u>126,282,348</u>
December 31, 2023				
Cost	82,065,416	206,878,037	146,185,850	435,129,303
Accumulated depreciation and amortization	<u>(75,317,724)</u>	<u>(159,624,802)</u>	<u>(90,221,152)</u>	<u>(325,163,678)</u>
Net carrying amount	<u>6,747,692</u>	<u>47,253,235</u>	<u>55,964,698</u>	<u>109,965,625</u>
January 1, 2023				
Cost	79,818,861	173,272,374	139,143,073	392,234,308
Accumulated depreciation and amortization	<u>(70,742,457)</u>	<u>(137,982,186)</u>	<u>(72,943,558)</u>	<u>(281,668,201)</u>
Net carrying amount	<u>9,076,404</u>	<u>35,290,188</u>	<u>66,199,515</u>	<u>110,566,107</u>

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

<i>(Amounts in PHP)</i>	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	<u>(7,938,332)</u>	<u>(28,992,685)</u>	<u>(19,153,960)</u>	<u>(56,084,977)</u>
Balance at December 31, 2024 net of accumulated depreciation and amortization	<u>11,989,229</u>	<u>63,947,043</u>	<u>50,346,076</u>	<u>126,282,348</u>
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	<u>(4,891,486)</u>	<u>(21,642,616)</u>	<u>(17,277,594)</u>	<u>(43,811,696)</u>
Balance at December 31, 2023 net of accumulated depreciation and amortization	<u>6,747,692</u>	<u>47,253,235</u>	<u>55,964,698</u>	<u>109,965,625</u>

<i>(Amounts in PHP)</i>	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	<u>(8,321,718)</u>	<u>(19,531,728)</u>	<u>(16,056,497)</u>	<u>(43,909,943)</u>
Balance at December 31, 2022 net of accumulated depreciation and amortization	<u>9,076,404</u>	<u>35,290,188</u>	<u>66,199,515</u>	<u>110,566,107</u>

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.

	<u>Number right-of-use assets leased</u>	<u>Range of remaining term</u>	<u>Average remaining lease term</u>	<u>Number of leases with extension options</u>	<u>Number of leases with termination options</u>
<u>December 31, 2024</u>					
Offices	7	1–3 years	2 years	7	7
Commercial lot	2	13–14 years	14 years	2	2
<u>December 31, 2023</u>					
Offices	7	2–4 years	3 years	7	7
Commercial lot	2	14–15 years	15 years	2	2
<u>December 31, 2022</u>					
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.

<i>(Amounts in PHP)</i>	<u>Offices</u>	<u>Commercial Lot</u>	<u>Total</u>
<u>December 31, 2024</u>			
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	<u>243,860,832</u>	<u>100,047,032</u>	<u>343,907,864</u>
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	<u>120,078,501</u>	<u>26,989,176</u>	<u>147,067,677</u>
Amortization for the year	<u>55,160,211</u>	<u>5,087,868</u>	<u>60,248,079</u>
Balance at end of year	<u>175,238,712</u>	<u>32,077,044</u>	<u>207,315,756</u>
Carrying amount at December 31, 2024	<u>68,622,120</u>	<u>67,969,988</u>	<u>136,592,108</u>
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	<u>213,962,698</u>	<u>100,047,032</u>	<u>314,009,730</u>
Additions	36,663,600	-	36,663,600
Derecognition	(6,765,466)	-	(6,765,466)
Balance at end of year	<u>243,860,832</u>	<u>100,047,032</u>	<u>343,907,864</u>
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	<u>77,825,422</u>	<u>21,901,308</u>	<u>99,726,730</u>
Derecognition	(4,623,067)	-	(4,623,067)
Amortization for the year	<u>46,876,146</u>	<u>5,087,868</u>	<u>51,964,014</u>
Balance at end of year	<u>120,078,501</u>	<u>26,989,176</u>	<u>147,067,677</u>
Carrying amount at December 31, 2023	<u>123,782,331</u>	<u>73,057,856</u>	<u>196,840,187</u>

<i>(Amounts in PHP)</i>	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	<u>165,033,008</u>	<u>100,047,032</u>	<u>265,080,040</u>
Additions	48,929,690	-	48,929,690
Balance at end of year	<u>213,962,698</u>	<u>100,047,032</u>	<u>314,009,730</u>
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	<u>36,424,118</u>	<u>16,813,439</u>	<u>53,237,557</u>
Amortization for the year	41,401,304	5,087,869	46,489,173
Balance at end of year	<u>77,825,422</u>	<u>21,901,308</u>	<u>99,726,730</u>
Carrying amount at December 31, 2022	<u>136,137,276</u>	<u>78,145,724</u>	<u>214,283,000</u>

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:

<i>(Amounts in PHP)</i>	2024	2023 (As restated see Note 2)
Current	54,554,785	59,993,919
Non-current	427,254,086	481,808,871
	<u>481,808,871</u>	<u>541,802,790</u>

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:

<i>(Amounts in PHP)</i>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
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	<u>(35,530,360)</u>	<u>(32,675,582)</u>	<u>(31,809,617)</u>	<u>(31,541,438)</u>	<u>(31,153,075)</u>	<u>(329,745,445)</u>	<u>(492,455,517)</u>
Net present value	<u>54,554,785</u>	<u>21,316,177</u>	<u>3,400,465</u>	<u>4,157,528</u>	<u>5,830,225</u>	<u>392,549,691</u>	<u>481,808,871</u>
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	<u>(40,100,227)</u>	<u>(35,530,360)</u>	<u>(32,675,582)</u>	<u>(31,809,617)</u>	<u>(31,541,438)</u>	<u>(360,898,520)</u>	<u>(532,555,744)</u>
Net present value	<u>59,993,921</u>	<u>54,554,785</u>	<u>21,316,177</u>	<u>3,400,465</u>	<u>4,157,528</u>	<u>398,379,914</u>	<u>541,802,790</u>

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:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
December 31, 2024				
Cost	970,251,670	1,060,812,691	1,232,969,842	3,264,034,203
Accumulated depreciation and amortization	<u>-</u>	<u>(390,722,324)</u>	<u>-</u>	<u>(390,722,324)</u>
	<u>970,251,670</u>	<u>670,090,367</u>	<u>1,232,969,842</u>	<u>2,873,311,879</u>
December 31, 2023				
Cost	970,191,757	1,060,812,691	-	2,031,004,448
Accumulated depreciation and amortization	<u>-</u>	<u>(347,895,992)</u>	<u>-</u>	<u>(347,895,992)</u>
	<u>970,191,757</u>	<u>712,916,699</u>	<u>-</u>	<u>1,683,108,456</u>

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
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)
	<u>968,549,661</u>	<u>756,927,774</u>	<u>-</u>	<u>1,725,477,435</u>

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting period is shown below:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2024, net of accumulated depreciation 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	<u>970,251,670</u>	<u>670,090,367</u>	<u>1,232,969,842</u>	<u>2,873,311,879</u>
Balance at January 1, 2023, net of accumulated depreciation 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	<u>970,191,757</u>	<u>712,916,699</u>	<u>-</u>	<u>1,683,108,456</u>
Balance at January 1, 2022, net of accumulated depreciation 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	<u>968,549,661</u>	<u>756,927,774</u>	<u>-</u>	<u>1,725,477,435</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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	-
	<u>12,126,210,080</u>	<u>11,153,805,854</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	1,533,200,000	1,133,790,603
Non-current	5,537,465,285	5,543,825,162
	<u>7,070,665,285</u>	<u>6,677,615,765</u>

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:

<i>(Amounts in PHP)</i>	Notes	<u>2024</u>	<u>2023</u>
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
		<u>2,195,960,876</u>	<u>1,881,169,948</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Retention payable	375,422,853	327,861,386
Advance rental	<u>6,350,974</u>	<u>9,051,174</u>
	<u>381,773,827</u>	<u>336,912,560</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Geographical areas			
Luzon	1,469,212,333	1,954,736,080	2,219,161,052
Visayas	<u>1,511,968,273</u>	<u>2,356,836,149</u>	<u>1,218,479,189</u>
	<u>2,981,180,606</u>	<u>4,311,572,229</u>	<u>3,437,640,241</u>
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	<u>787,434,202</u>	<u>985,384,639</u>	<u>22,637,886</u>
	<u>2,981,180,606</u>	<u>4,311,572,229</u>	<u>3,437,640,241</u>

16.2 Contract Accounts

a. Contract Assets

The Company's contract assets are classified as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	2,498,944,784	2,726,170,570
Non-current	<u>49,259,930</u>	<u>676,371,699</u>
	<u>2,548,204,714</u>	<u>3,402,542,269</u>

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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)]	<u>(377,510,605)</u>	-
	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	<u>(8,442,256)</u>	-
Balance at end of year	<u><u>2,548,204,714</u></u>	<u><u>3,402,542,269</u></u>

b. Contract Liabilities

The Company's contract liabilities are classified as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	5,668,067	17,161,181
Non-current	<u>234,767,665</u>	<u>221,001,249</u>
	<u><u>240,435,732</u></u>	<u><u>238,162,430</u></u>

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	238,162,430	154,260,328
Effect of adoption of PFRS 15 [see Note 2.1 (b)(ii)]	<u>3,632,399</u>	-
	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	<u>(4,303,682)</u>	-
Balance at end of year	<u><u>240,435,732</u></u>	<u><u>238,162,430</u></u>

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:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
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	<u>(78,842,975)</u>	<u>(142,941,300)</u>
Balance at end of year	7	<u>662,053,318</u>	<u>441,863,860</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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	<u>392,846,099</u>	<u>263,866,570</u>
	<u>2,654,666,762</u>	<u>2,078,886,760</u>

17. OPERATING EXPENSES BY NATURE

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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	<u>-</u>	<u>37,190,293</u>	<u>66,988,587</u>
		<u>1,292,373,277</u>	<u>1,819,711,621</u>	<u>1,141,903,827</u>

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.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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)	<u>12,882,427</u>	<u>12,847,230</u>	<u>12,265,193</u>
		554,363,006	166,669,547	139,839,960
Foreign exchange gains - net		<u>558,176</u>	<u>10,159,664</u>	<u>13,401,592</u>
		<u>554,921,182</u>	<u>176,829,211</u>	<u>153,241,552</u>

18.2 Finance Costs and Other Charges

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u> <u>(As Restated</u> <u>– see Note 2)</u>	<u>2022</u> <u>(As Restated</u> <u>– see Note 2)</u>
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.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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	<u>123,576,343</u>	<u>86,516,665</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Reported in profit or loss:</i>			
Current service cost	18,549,868	7,794,790	11,095,456
Interest cost	5,762,010	5,093,491	3,898,949
	<u>24,311,878</u>	<u>12,888,281</u>	<u>14,994,405</u>
<i>Reported in other comprehensive loss (income) –</i>			
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
	<u>12,747,800</u>	<u>8,743,142</u>	<u>(24,605,398)</u>

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:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
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*

<i>(Amounts in PHP)</i>	<u>Impact on Retirement Benefit Obligation</u>		
	<u>Change in Assumptions</u>	<u>Increase in Assumptions</u>	<u>Decrease in Assumptions</u>
<u>December 31, 2024</u>			
Discount rate	+/- 0.5%	(7,724,037)	9,264,109
Salary increase rate	+/- 1.0%	19,980,736	(14,400,048)
<u>December 31, 2023</u>			
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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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
	<u>423,341,446</u>	<u>359,885,252</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	2023 [As Restated – see Note 2.1(c)]	<u>2022</u>
<i>Reported in profit or loss:</i>			
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
<i>Reported in other comprehensive income –</i>			
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.

<i>(Amounts in PHP)</i>	<u>2024</u>	2023 [As Restated – see Note 2.1(c)]	<u>2022</u>
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:

<i>(Amounts in PHP)</i>	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)
	<u>(2,089,851,667)</u>	<u>(2,153,034,195)</u>

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

<i>(Amounts in PHP)</i>	Profit or Loss			Other Comprehensive Income		
	2023					
	2024	[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)	<u>108,777,018</u>	<u>475,559,965</u>	<u>413,241,422</u>	<u>(3,186,950)</u>	<u>(2,185,786)</u>	<u>6,151,350</u>

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:

<i>(Amounts in PHP)</i>		Amount of Transactions			Outstanding Balances	
		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)]
Related Party Category	Notes					
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-bearing 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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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)
	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)
	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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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
	<u>424,276,506</u>	<u>428,163,769</u>

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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	<u>179,968,187</u>	<u>169,856,198</u>	<u>207,603,495</u>
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	<u>160,266,871</u>	<u>174,238,232</u>	<u>15,575,609</u>
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	<u>84,041,448</u>	<u>84,069,339</u>	<u>94,659,524</u>

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:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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
	<u>31,604,409</u>	<u>29,487,469</u>	<u>27,388,864</u>

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:

<i>(Amounts in PHP)</i>	<u>Shares</u>	<u>Amount</u>
Common shares – P1 par value Authorized	<u>20,000,000,000</u>	<u>20,000,000,000</u>
Issued and outstanding Balance at beginning and end of year	<u>10,986,000,000</u>	<u>10,986,000,000</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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	<u>10,986,000,000</u>	<u>10,986,000,000</u>	<u>10,986,000,000</u>
	<u>0.166</u>	<u>0.163</u>	<u>0.155</u>
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	<u>10,986,000,000</u>	<u>11,012,712,329</u>	<u>11,036,000,001</u>
	<u>0.166</u>	<u>0.162</u>	<u>0.154</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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	<u>1,155,202,231</u>	<u>1,241,627,135</u>
	<u>1,872,636,854</u>	<u>1,855,568,373</u>

The undiscounted maturity analysis of finance lease receivable at December 31, 2024 and 2023 is as follows:

<i>(Amounts in PHP)</i>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
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	<u>(24,641,019)</u>	<u>(24,407,402)</u>	<u>(24,373,209)</u>	<u>(24,352,433)</u>	<u>(24,269,834)</u>	<u>(295,787,287)</u>	<u>(417,831,184)</u>
Net present value	<u>2,873,035</u>	<u>1,874,097</u>	<u>(71,550)</u>	<u>678,275</u>	<u>1,511,796</u>	<u>308,248,865</u>	<u>315,114,518</u>
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	<u>(24,829,545)</u>	<u>(24,641,019)</u>	<u>(24,407,402)</u>	<u>(24,373,209)</u>	<u>(24,352,433)</u>	<u>(320,057,121)</u>	<u>(442,660,729)</u>
Net present value	<u>2,017,326</u>	<u>2,873,035</u>	<u>1,874,097</u>	<u>(71,550)</u>	<u>678,275</u>	<u>309,760,661</u>	<u>317,131,844</u>

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.

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
<u>December 31, 2024</u>			
Installment contracts receivable – net	7,802,273,807	16,424,780,723	-
Contract assets	2,548,204,714	5,106,990,764	-
Rent receivables	<u>380,511,495</u>	<u>86,934,905</u>	<u>293,576,590</u>
	<u>10,730,990,016</u>	<u>21,618,706,392</u>	<u>293,576,590</u>
<u>December 31, 2023</u>			
Installment contracts receivable – net	6,582,291,673	12,349,553,567	-
Contract assets	3,402,542,269	7,817,095,582	-
Rent receivables	<u>245,336,095</u>	<u>82,216,882</u>	<u>163,119,213</u>
	<u>10,230,170,037</u>	<u>20,248,866,031</u>	<u>163,119,213</u>

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.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
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	<u>283,929,894</u>	<u>302,965,894</u>
	<u>9,335,461,254</u>	<u>7,991,628,584</u>

(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.

<i>(Amount in PHP)</i>	Notes	Current		Non-current	
		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
		<u>1,873,900,476</u>	<u>1,614,302,250</u>	<u>5,348,221,822</u>	<u>1,819,442,170</u>
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
		<u>1,666,011,416</u>	<u>1,202,900,618</u>	<u>6,224,149,228</u>	<u>1,337,604,869</u>

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.

<i>(Amounts in PHP)</i>	2024		2023	
	<u>Carrying Values</u>	<u>Fair Values</u>	<u>Carrying Values</u>	<u>Fair Values</u>
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
	<u>20,986,842,852</u>	<u>20,986,842,852</u>	<u>19,695,235,845</u>	<u>19,695,235,845</u>
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
	<u>10,655,866,718</u>	<u>10,594,745,861</u>	<u>8,804,712,675</u>	<u>7,798,663,742</u>

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.

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2024:				
<i>Financial Assets:</i>				
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
	<u>1,470,493,602</u>	<u>-</u>	<u>19,516,349,250</u>	<u>20,986,842,852</u>
<i>Financial Liabilities:</i>				
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
	<u>-</u>	<u>-</u>	<u>10,594,120,866</u>	<u>10,594,120,866</u>

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
December 31, 2023:				
<i>Financial Assets:</i>				
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
	<u>1,270,724,276</u>	<u>-</u>	<u>18,407,951,618</u>	<u>19,678,675,894</u>
<i>Financial Liabilities:</i>				
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
	<u>-</u>	<u>-</u>	<u>7,798,663,742</u>	<u>7,798,663,742</u>

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:

<i>(Amount in PHP)</i>	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	-
	<u>12,126,210,080</u>	<u>11,153,805,854</u>

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.

<i>(Amount in PHP)</i>	<u>2024</u>	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	<u>0.39:1:00</u>	<u>0.38:1:00</u>

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.

<i>(Amount in PHP)</i>	Interest-bearing Loans <i>(See Note 13)</i>	Advances from Related Parties <i>(See Note 21.5)</i>	Lease Liabilities <i>(See Note 11)</i> [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	<u>6,677,615,765</u>	<u>428,163,769</u>	<u>541,802,790</u>	<u>7,647,582,324</u>
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	<u>7,070,665,285</u>	<u>424,276,506</u>	<u>481,808,871</u>	<u>7,976,750,662</u>
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	<u>5,539,215,676</u>	<u>317,838,628</u>	<u>586,396,211</u>	<u>6,443,450,515</u>
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	<u>6,677,615,765</u>	<u>428,163,769</u>	<u>541,802,790</u>	<u>7,647,582,324</u>
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	<u>5,676,470,580</u>	<u>255,689,384</u>	<u>593,464,342</u>	<u>6,525,624,306</u>
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	<u>5,539,215,676</u>	<u>317,838,628</u>	<u>554,996,659</u>	<u>6,412,050,963</u>

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:

<i>(Amounts in PHP)</i>	<u>Tax Base</u>	<u>Output VAT</u>
Real estate sales:		
Taxable sales	2,170,030,204	260,403,625
Exempt sales	14,005,864	-
Rental income and management and marketing income	<u>441,887,393</u>	<u>53,026,487</u>
	<u>2,625,923,461</u>	<u>313,430,112</u>

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	<u>(238,089,545)</u>
Balance at end of year	<u>-</u>

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	<u>9,434,970</u>
	<u><u>20,684,970</u></u>

(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
	<hr/>
	41,806,314
	<hr/>

(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
	<hr/>
	114,601,208
	<hr/>

(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.



Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

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

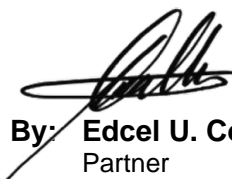
T +63 2 8988 2288

**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		-
<i>Balance carried forward</i>		
Adjusted Net Income/Loss		10,151,814,353

Balance brought forward

Adjusted Net Income/Loss

10,151,814,353

Add: Category D: Non-actual losses 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 E: 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



Myrbien C. Flores <mcflores@global-estate.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: GENERAL.ACCOUNTING@global-estate.ph
Cc: CRSTARITA@global-estate.ph

Fri, Apr 11, 2025 at 12:28 PM

Hi GLOBAL-ESTATE RESORTS, INC.,

Valid files

- EAFS000426523TCRTY122024-03.pdf
- EAFS000426523ITRTY122024.pdf
- EAFS000426523AFSTY122024.pdf
- EAFS000426523TCRTY122024-01.pdf
- EAFS000426523TCRTY122024-02.pdf
- EAFS000426523OTHTY122024.pdf
- EAFS000426523RPTTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-9GLECGFA0P32MV1SVNXRQY3ZQ02SQPS1SP**
Submission Date/Time: **Apr 11, 2025 12:28 PM**
Company TIN: **000-426-523**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- 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.

This is a system-generated e-mail. Please do not reply.

ANNEX “E”

Sec Form 17-Q for the 1st Quarter of 2024

COVER SHEET

A S O 9 4 0 0 4 4 6 2

S.E.C. Registration Number

G L O B A L - E S T A T E R E S O R T S , I N C .

(Company's Full Name)

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

(Business Address: No. Street City/ Town/ Province)

LAILANI V. VILLANUEVA

Contact Person

328-4374

Company Telephone Number

1 2

Month

3 1

Day

Calendar Year

SEC FORM 17-Q
(for the quarter ended 31 March 2025)

FORM TYPE

0 6

Month

2 6

Day

annual meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SEC Number **AS094004462**
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)

(632) 5328-4370 to 78

(Tel. No.)

December 31, 2025

(Calendar Year Ending)

SEC FORM 17-Q (1st QUARTER)

(Form Type)

March 31, 2025

(Period ended date)

REGISTERED AND LISTED

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2025**
2. Commission identification number..... : **AS094004462**
3. BIR Tax Identification No.....: **000-426-523-V**
4. Exact name of issuer as specified in its charter

GLOBAL-ESTATE RESORTS, INC.

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

6. Industry Classification Code: (SEC Use Only)

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

8. Issuer's telephone number, including area code
Tel. No. (632) 5328-4370 to 78

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

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA
Number of shares of common stock outstanding
and amount of debt outstanding

Title of each class

Common stock

10,986,000,000

Loans payable

₱ 9,076,702,443

Bonds payable

₱ -

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

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange (PSE)

Common stock

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)

Yes No

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

Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached Annex A-1 for the Consolidated Statements of Financial Position as of March 31, 2025 and December 31, 2024; Annex A-2 for the Consolidated Statements of Comprehensive Income for the three-month period ended March 31, 2025 and March 31, 2024; Annex A-3 for Consolidated Statements of Changes in Stockholders' Equity for the three-month period ended March 31, 2025 and March 31, 2024; Annex A-4 for the Consolidated Statements of Cash Flows for the three-month period ended March 31, 2025 and March 31, 2024 and Annex A-5 for the Aging of Receivables for the 1st Quarter ended March 31, 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

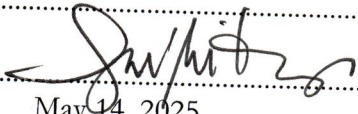
Refer to attached Analysis of Operations.

PART II--OTHER INFORMATION

Not Applicable.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Principal Financial/Accounting Officer/ Controller/Authorized Representative:	Ms. Lailani V. Villanueva
..... Title	: Chief Financial Officer
..... Signature	: 
..... Date	: May 14, 2025
.....	

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE 1st QUARTER ENDED March 31, 2025

REVIEW OF RESULTS OF OPERATIONS

(Comparing balances for the 3-month period ended March 31, 2025 and 3-month period ended March 31, 2024)

Consolidated revenues for the three-month period ended March 31, 2025 amounted to Php2.2 billion. The Company's real estate sale of Php1.4 billion came mainly from sale of lots in Newcoast Shophouse, Boutique Hotel and Resorts 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 Manila Southwoods, Eastland Heights in Antipolo, Rizal, The Lindgren in Trece Martires, Cavite and sale of condominium units in Oceanway Residences One and Ocean Garden Villas in Boracay, Holland Park and Tulip Gardens in Manila Southwoods and Vineyard Residences, Belvedere, The Manor and Countrywoods in Twin Lakes, Laurel, Batangas. Hotel revenues increased by 48% from Php201.6 million as of March 31, 2024 to Php298.0 million as of March 31, 2025 mainly due to the continued rise of local tourism and travel. Balance of revenues was contributed by rental income of Php143.6 million, marketing fees of Php32.6 million, finance and other income of Php257.5 million, and Php69.9 million service income.

Cost and expenses posted an increase of Php60.8 million or 4% mainly due to increase in cost of hotel operations, cost of rentals and services, operating expenses and finance cost.

The company posted a Php642.9 million Net Income for the period ended March 31, 2025.

Major Movements of Income Statement Accounts are as follows:

(Increase/ decrease of 5% or more versus March 31, 2024)

- 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.
- 48% Increase in Hotel revenues – due to continued rise of local tourism and travel.
- 12% Increase in Rental Income – due to increase in occupancy rate and tenant sales for the period.
- 32% Increase in Service income – due to higher service income for the period.
- 1600% Increase in Marketing fees – due to increase in marketing income from sale of joint venture partners' inventory.
- 78% 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.
- 19% Decrease in Cost of real estate sales – mainly due to decrease in real estate sales for the year.
- 9% Increase in Cost of rentals and services – mainly directly related to the increase in service income.
- 16% Increase in Cost of hotel operations – directly related to the increase in hotel revenue.
- 32% Increase in Operating expenses – mainly due to increase in expenses directly related to increase in revenue from hotel operations and other administrative expenses.
- 55% Increase in Finance cost and other charges – mainly due to implementation of new accounting standard related on borrowing cost for real estate industry.
- 11% Increase in Income tax expense – due to increase of taxable income.

REVIEW OF FINANCIAL CONDITION

The Group's financial position remained stable. Total assets as of March 31, 2025, Php63.2 billion compared to Php62.9 billion as of December 31, 2024, posted an increase of Php352.3 million. Cash and cash equivalents decreased by 33% due to payment to contractors and suppliers for ongoing development of various projects and payment of interest-bearing loans, from Php2.3 billion as of December 2024 to Php1.5 billion as of March 2025. Contract assets increased by 11%, from Php5.0 billion as of December 2024 to Php5.5 billion as of March 2025 due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection. Advances to related parties increased by 6% from Php555.8 million as of December 2024 to Php589.1 million as of March 2025.

Trade and other payables decreased by 6% from Php5.1 billion as of December 2024 to Php4.8 billion as of March 2025 due to payments to contractors and suppliers. Interest-bearing loans and borrowings decreased by 5% due to payment of principal of interest-bearing loan. Contract liabilities increased by 157% from Php348.9 million as of December 2024 to Php896.1 million as of March 2025 due to increase of sales from uncompleted projects with lower percentage of completion than percentage of collection. Customer's deposit decreased by Php229.5 million or 17% due to installment sales recognized for the period, from Phph1.3 billion as of December 2024 to Php1.1 billion as of March 2025. Other non-current liabilities increased by 7% due to increase in security deposits from Php577.7 million as of December 2024 to Php618.5 million as of March 2025.

Shareholders' Equity increased from Php40.7 billion as of December 2024 to Php41.4 billion as of March 2025 mainly due to the income generated for the period.

Major movements of Balance Sheet Accounts are as follows:

- 33% Decrease in Cash and Cash equivalents – due to payment to contractors and suppliers for ongoing development of various projects and payment of interest-bearing loans.
- 11% Increase in Contract assets – due to additional sales from uncompleted projects with higher percentage of completion than percentage of collection.
- 6% Increase in Advances to related parties – due to additional advances given to related parties.
- 6% Decrease in Trade and other payables – due to payments to contractors and suppliers.
- 5% Decrease in Interest-bearing loans and borrowings – due to payment of principal of interest-bearing loan.
- 157% Increase in Contract liabilities – due to increase of sales from uncompleted projects with lower percentage of completion than percentage of collection.
- 17% Decrease in Customer's deposit – due to installment sales recognized for the period.
- 7% Increase in Other non-current liabilities – due to increase in security deposits.

KEY PERFORMANCE INDICATORS

LIQUIDITY RATIOS

	March 31, 2025	December 31, 2024
Current Ratio	4.54	4.52
Quick Assets Ratio	1.98	1.97

Current Ratio (Current Assets/Current Liabilities)

Liquidity ratio measures a company's ability to pay short-term obligations.

Quick Assets Ratio (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

	March 31, 2025	December 31, 2024
Debt to Total Assets	35%	35%
Equity to Total Assets	65%	65%
Debt to Equity	53%	54%
Asset to Equity	1.53	1.54

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.

PROFITABILITY RATIOS

	March 31, 2025	March 31, 2024
Return on Equity	1.65%	1.60%
Return on Assets	1.02%	0.96%
Earnings per Share	₱ 0.0518	₱ 0.0493

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.

ACTIVITY RATIO

	March 31, 2025	March 31, 2024
Asset Turnover	2.29%	2.59%

Asset Turnover (Sales/Total Assets)

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

INTEREST COVERAGE RATIO

	March 31, 2025	March 31, 2024
Interest Coverage	11.46	5.62

Interest Coverage Ratio (Earnings before Interest and Income Tax/Interest Expense)

It measures how easily a company can pay interest on an outstanding debt.

OTHERS

As of the 1st quarter ended March 31, 2025, there are no:

- Known trend, demands, commitments, events or uncertainties that would have a material impact on the liquidity of the Company.
- Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- 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.
- Significant elements of income or loss that did not arise from the Company's continuing operations.
- Causes for any material changes from period to period in one or more line items of the Company's financial operations.
- Seasonal aspects that had a material effect on the financial condition or results of the operations.
- Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities of other persons created during the reporting period.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE 1st QUARTER ENDED March 31, 2025

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 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, 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.

1.1 Composition of the Group

The Company holds interests in the following subsidiaries and associates (collectively, together with the Company, hereinafter referred to as the Group) as of March 31, 2025:

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 Compañía 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.

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.
- 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 BOD.
- i. Incorporated in 2019, ECLI maintains and manages on the business and operations of clubs, resorts and leisure facilities. IRPMI was incorporated in 2022 to manage and administer real estate properties.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the audited consolidated financial statements as of and for the year ended December 31, 2024.

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.

(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.

(c) *Presentation of Consolidated Financial Statements*

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

(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

(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 1.1, 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.

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, 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.

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.

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.

(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.

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.

(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.

(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, 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.

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.

(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.

(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.

(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.

4. **Segment revenue and segment results for business segments or geographical segments, whichever is the enterprise's primary basis of segment reporting.**

The following table present revenue and income information for the 1st quarter ended March 31, 2025 and March 31, 2024.

March 31, 2025

(Amount in thousands)

	Sales of Real Estate	Hotel Operations	Rentals and Services	Total
Revenue	₱1,447,025	₱297,999	₱213,495	₱1,958,519
Cost	619,307	102,130	98,425	819,862
Gross profit	₱ 827,718	₱195,869	₱115,070	₱1,138,657

March 31, 2024

(Amount in thousands)

	Sales of Real Estate	Hotel Operations	Rentals and Services	Total
Revenue	₱1,611,706	₱201,571	₱181,798	₱1,995,075
Cost	763,069	88,071	90,537	941,677
Gross profit	₱ 848,637	₱113,500	₱91,261	₱1,053,398

5. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period.
There have been no material events that happened subsequent to the interim period that need disclosure herein.
6. Effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operation.
Not applicable.
7. Changes in contingent liabilities or contingent assets since the last annual balance sheet date
The Company is a party to certain lawsuits or claims arising from the ordinary course of business and from several of its joint venture agreements. The Group's management and legal counsels 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.
8. Existence of material contingencies and any other events or transactions that are material to an understanding of current interim period.
There have been no material contingencies and any other events or transactions that are material to an understanding of current interim period.
10. Any events that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation.
There have been no events that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation.

11. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There have been no material off-balance sheet transactions and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

12. Dividends paid separately for ordinary shares and other shares
Not applicable.

13. Seasonality or cyclicity of interim operations
Not applicable

14. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size and incidence.
Not applicable

15. Issuances, repurchases, and repayments of debt and equity securities
There have been no issuance, repurchase and repayment of debt and equity securities for the period.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise of cash, short-term bank deposits and investments.

Exposures to credit and liquidity risk arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

1. To identify and monitor such risks on an ongoing basis;
2. To minimize and mitigate such risks; and
3. To provide a degree of certainty about costs.

Credit Risk

The investment of the Group's cash resources is managed so as to minimize risk while seeking to enhance yield. The Group's holding of cash and marketable securities expose the Group to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Group consequently suffers financial loss. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing. The treasury policy sets aggregate credit limits of any one counterparty and annually reviews the exposure limits and credit ratings of the counterparties. The Group has credit management policies in place to ensure that rental contracts are entered into with customers who have sufficient financial capacity and good credit history.

Sales to buyers of real estate which are collectible on installment are relatively risk-free. Sales to real estate buyers are documented under Contract to Sell agreements which allow cancellation of the sale and forfeiture of payments made in the event of default by buyers. Transfer of title is made to buyers only upon full payment of the account.

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

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.

Interest Rate Risk

The Group has no significant exposure to interest rate risk as some financial assets and liabilities are fixed-interest bearing.

Foreign Exchange Risk

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

Management assessed that the foreign currency risks related to these U.S. dollar-denominated cash and cash equivalents to be not material.

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 financial 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 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:

(Figures in thousands)

	<u>March 2025</u>	<u>December 2024</u>
Total Liabilities	P 21,835,415	P 22,144,410
Total Equity	<u>41,366,975</u>	<u>40,705,696</u>
Debt-to-equity ratio	<u>0.53:1</u>	<u>0.54:1</u>

CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial assets and liabilities.

The carrying amounts and fair value of the categories of financial assets and liabilities presented in the consolidated financial statement of financial position are shown below:

Figures in thousands

	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	Carrying Values	Fair Values	Carrying Values	Fair Values
<i>Financial assets</i>				
Financial assets at amortized cost:				
Cash and cash equivalents	P 1,528,257	P 1,528,257	P 2,294,242	P 2,294,242
Trade and other receivables - net	14,211,531	14,211,531	13,688,829	18,088,987
Advances to real property owner	1,408,470	1,408,470	1,369,425	1,369,425
Advances to related parties	589,119	589,119	555,801	555,801
Refundable deposits	<u>89,574</u>	<u>89,574</u>	<u>89,459</u>	<u>89,459</u>
	<u>P 17,826,951</u>	<u>P 17,826,951</u>	<u>P 17,997,756</u>	<u>P 22,397,914</u>
	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	Carrying Values	Fair Values	Carrying Values	Fair Values
<i>Financial liabilities</i>				
Financial liabilities at amortized cost:				
Interest bearing loans and borrowings	P 9,076,702	P 9,076,702	P 9,512,119	P 10,679,127
Trade and other payables	4,368,610	4,368,610	4,681,966	4,681,966
Advances from related parties	664,533	664,533	645,984	645,984
Due to joint venture partners	504,244	504,244	491,052	491,052
Retention Payable	835,723	835,723	822,598	822,598
Lease liabilities	<u>477,069</u>	<u>477,069</u>	<u>465,796</u>	<u>465,796</u>
	<u>P 15,926,881</u>	<u>P 15,926,881</u>	<u>P 16,619,515</u>	<u>P 17,786,523</u>

See notes to financial statements 2.4 and 2.10 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in page 28. The Group does not actively engage in the trading of financial assets for speculative purposes.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of March 31, 2025
(Amount in Thousands)

Annex A-1

	Unaudited As of March 31, 2025	Audited As of December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and Cash equivalents	P 1,528,257 P	2,294,242
Trade and other receivables - net	12,148,434	11,567,141
Contract assets	4,688,184	4,473,586
Advances to real property owners	50,644	45,424
Advances to related parties	589,119	555,801
Inventories - net	19,786,228	19,811,862
Prepayments and other current assets - net	4,672,620	4,634,293
Total Current Assets	<u>43,463,486</u>	<u>43,382,349</u>
NON-CURRENT ASSETS		
Trade and other receivables - net	3,618,507	3,757,018
Contract assets	860,577	526,379
Advances to real estate property owners	1,357,827	1,324,001
Investment in associates - net	731,408	731,408
Investment Properties - net	11,922,857	11,876,842
Property and equipment - net	931,571	897,342
Right-of-use asset	124,751	121,739
Other non-current assets	191,407	233,028
Total Non-current Assets	<u>19,738,905</u>	<u>19,467,757</u>
TOTAL ASSETS	<u>P 63,202,391 P</u>	<u>62,850,106</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Interest bearing loans and borrowings	P 1,918,879 P	1,908,200
Trade and other payables	4,798,776	5,123,766
Contract liabilities	617,267	86,684
Due to joint venture partners	504,244	491,052
Customer's deposit	1,019,987	1,293,782
Advances from related parties	664,534	645,984
Lease Liabilities	50,496	45,923
Total Current Liabilities	<u>9,574,183</u>	<u>9,595,391</u>
NON-CURRENT LIABILITIES		
Interest bearing loans and borrowings	7,157,823	7,603,919
Contract liabilities	278,820	262,196
Customer's deposit	98,145	53,829
Deferred tax liabilities-net	3,493,478	3,442,882
Retirement benefit obligation	187,877	188,592
Lease Liabilities	426,573	419,873
Other non-current liabilities	618,517	577,728
Total Non-current Liabilities	<u>12,261,233</u>	<u>12,549,019</u>
Total Liabilities	<u>21,835,416</u>	<u>22,144,410</u>
EQUITY		
Equity attributable to parent company's shareholder	34,784,455	34,197,065
Non-controlling interest	6,582,520	6,508,631
Total Equity	<u>41,366,975</u>	<u>40,705,696</u>
TOTAL LIABILITIES AND EQUITY	<u>P 63,202,391 P</u>	<u>62,850,106</u>

GLOBAL-ESTATE RESORT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1Q2025 VS. 1Q2024

Annex A-2

(Amount in Thousands)

	Unaudited 1Q 2025 Jan - Mar	Unaudited 1Q 2024 Jan - Mar
REVENUES		
Real estate sales	P 1,447,025	P 1,611,706
Rental income	143,569	128,715
Hotel operations	297,999	201,571
Service income	69,925	53,083
Marketing fees	32,646	1,921
Finance and other income	257,491	144,463
	2,248,655	2,141,459
COST AND EXPENSES		
Real estate sales	619,307	763,069
Cost of rentals and services	98,425	90,537
Cost of hotel operations	102,130	88,071
Operating expenses	445,041	336,478
Finance costs and other charges	157,054	101,121
Income tax expense	183,795	165,692
	1,605,752	1,544,968
Net Profit (Loss)	642,903	596,491
Other Comprehensive Income (Loss)		
Revaluation reserve	-	-
Total Comprehensive Income (Loss)	642,903	596,491
Net profit (loss) attributable to:		
Parent Company's shareholder	569,014	542,039
Non-controlling interest	73,889	54,452
	642,903	596,491
Total Comprehensive Income(loss) attributable to:		
Parent Company's shareholders	569,014	542,039
Non-controlling interest	73,889	54,452
	P 642,903	P 596,491
Earnings per share	0.0518	0.0493

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amount in Thousands)

Annex A -3

	As of March 31, 2025	As of March 31, 2024
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		
CAPITAL STOCK	P 10,986,000 P	10,986,000
ADDITIONAL PAID IN CAPITAL	4,747,739	4,747,739
REVALUATION RESERVE	70,710	70,030
RETAINED EARNINGS	18,980,006	18,285,125
	34,784,455	34,088,894
MINORITY INTEREST	6,582,520	6,457,188
TOTAL STOCKHOLDERS' EQUITY	P 41,366,975 P	40,546,082

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in Thousands)

Annex A-4

	As of March 31, 2025	As of March 31, 2024
Net Income before tax	P 826,698 P	762,183
Add(less)		
Finance cost	79,010	12,617
Depreciation and amortization	90,376	80,728
Finance income	(110,792)	(22,661)
Operating Income(loss) before working capital changes	885,292	832,867
Net Changes in Operating Assets and Liabilities		
Decrease(Increase) current and non current asset	(1,024,846)	(1,235,932)
(Decrease)Increase current and non current liabilities	139,357	291,574
Cash paid for income taxes	(7,026)	0
Interest paid	(148,167)	(44,387)
Cash from(used in) Operating Activities	(155,390)	(155,878)
Cash from(used in) Investing Activities	(187,377)	(50,708)
Cash from (used in) Financing Activities	(423,218)	(437,119)
Net Increase (decrease) in cash and cash equivalent	(765,985)	(643,705)
Cash and cash equivalent at the beginning of the year	2,294,242	2,126,242
Cash and cash equivalent at the end of the period	P 1,528,257 P	1,482,537

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE

As of March 31, 2025

(Amounts in Thousands)

Annex A-5

Aging of Accounts Receivable

Type of receivables:	TOTAL	CURRENT/NOT YET DUE	Not more than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year
a. Trade/Other Receivable	15,766,941	14,128,269	340,124	267,461	563,490	467,597
Net Receivable	15,766,941					