

Exhibit "4"

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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A	V	E	N	U	E		S	A	N		J	U	A	N															

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

DANICA EVANGELISTA

Contact Person

(02) 8826-5698

Company's Telephone Number

31 December

Month Day of Fiscal Year

08 June

Month Day of Annual Meeting

SEC FORM AFS

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Secondary License Type, If Applicable

S	E	C
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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total Amount of Borrowings

--

Total No. of Stockholders

--

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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LCU

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Document I.D.

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Cashier

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347

25 March 2025

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Citicore Energy REIT Corp. (the "Company") 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 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.

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders for the periods ended December 31, 2024, 2023 and 2022 have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Edgar B. Saavedra
Chairman of the Board

Oliver Y. Tan
President and Chief Executive Officer

Michelle A. Magdato
Treasurer



SUBSCRIBED AND SWORN TO before me in SAN JUAN CITY on MAR 28 2025,
affiants exhibiting to me their respective valid IDs, as follows:

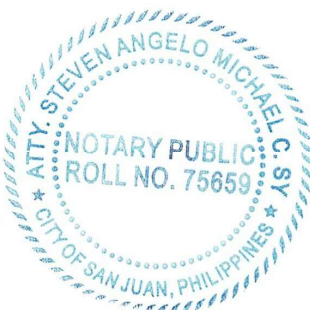
NAME	Valid ID	DATE OF ISSUE/VALID UNTIL	PLACE OF ISSUE
Edgar B. Saavedra	Passport No. P6875140B	Valid until May 26, 2031	Manila
Oliver Y. Tan	Passport No. P4489306B	Valid until January 21, 2030	DFA NCR East
Michelle A. Magdato	Passport No. P6873524A	Valid until April 21, 2028	DFA NCR East

Doc. No. 347;

Page No. 71;

Book No. II;

Series of 2025.



St. M.
STEVEN ANGELO MICHAEL C. SY
Notary Public for and in San Juan City
Notarial Commission No. 033 (2024-2025)
Until 31 December 2025
10F Santolan Town Plaza, 276 Santolan Road,
Little Baguio San Juan City Metro Manila
Roll No. 75659
PTR No. SJ 1820331 | 7 Jan 2025 | San Juan City
IBP No. 498696 | 6 Jan 2025 | Quezon City, Philippines
Admitted to the BAR on 11/11/2023



Independent Auditor's Report

To the Board of Directors and Shareholders of
Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)
11F Rockwell Santolan Town Plaza
276 Col. Bonny Serrano Avenue
San Juan City, Metro Manila

Report on the Audits of the Financial Statements

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Citicore Energy REIT Corp. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
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Independent Auditor's Report
To the Board of Directors and Shareholders of
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Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key Audit Matters

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

Key audit matters identified in our audit are summarized as follows:

Key audit matters	How our audit addressed the key audit matters
<u>Fair value of investment properties</u> The Company leases ten (10) freehold land and subleases three (3) leasehold land to its related parties. All freehold and leasehold land assets are classified as investment properties which are accounted for using the cost model. The Company discloses the fair value of investment properties as required by PAS 40, "Investment Property". The carrying value and fair value of investment properties amounted to P7.24 billion and P16.91 billion, respectively, as at December 31, 2024. Management determined the fair value of the investment properties based on the report issued by an accredited appraiser. The appraiser used the discounted cash flow model based on the lessor's interest in the land.	<p>We obtained understanding of the nature, scope and objective of the appraiser's work. We evaluated the competence and capabilities of the accredited appraiser and objectivity by considering the accredited appraiser's qualifications, experience and reporting responsibilities. We also evaluated the data used, assumptions and calculation methods and assessed the relevance and reasonableness of the accredited appraiser's findings and conclusions and consistency with other audit evidence we obtained. Data and assumptions used were validated as follows:</p> <ul style="list-style-type: none">a. Lease rates and unexpired lease term were traced to the lease agreements with related parties; andb. We compared the parameters used for discount rate and terminal values of the land against market data. <p>We also assessed the adequacy of the fair value disclosures based on the requirements of PFRS 13, "Fair Value Measurement".</p>



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Key audit matters	How our audit addressed the key audit matters
<p>The determination of the fair values of these properties involved significant assumption and estimations and complex calculations.</p> <p>These assumptions include discount rates which are influenced by the prevailing market rates and comparable market transactions. Discount rates are subject to higher level of estimation uncertainty due to the current economic conditions. The disclosures on the fair value of investment properties are included in Note 8 to the financial statements.</p>	

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's 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 audit 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 audit, or otherwise appears to be materially misstated.

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 PFRS Accounting Standards, 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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
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Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)
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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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is
Pocholo C. Domondon.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pocholo C. Domondon", written over the printed name.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 3, 2025 at Makati City

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
March 25, 2025



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)
11F Rockwell Santolan Town Plaza
276 Col. Bonny Serrano Avenue
San Juan City, Metro Manila

We have audited the financial statements of Citicore Energy REIT Corp. (the "Company") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have rendered the attached report dated March 25, 2025. The supplementary information shown in Schedules A, B, C, D, E, F, and G, Reconciliation of Retained Earnings Available for Dividend Declaration and the Map showing the relationships between and among the Company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates, as additional components required by Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in the audits of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Revised Rule 68 of the SRC .

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Pocholo C. Domondon", written over the printed name.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

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Makati City
March 25, 2025

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Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)
11F Rockwell Santolan Town Plaza
276 Col. Bonny Serrano Avenue
San Juan City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing the financial statements of Citicore Energy REIT Corp. (the "Company") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated March 25, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculations, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Rule 68 of the SRC issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

Isla Lipana & Co.


Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
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Makati City
March 25, 2025

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Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash	3	597,582,293	616,861,821
Trade and other receivables, net	4	207,865,787	64,504,503
Prepayments and other current assets	5	100,988,887	201,513,919
Total current assets		906,436,967	882,880,243
Non-current assets			
Trade and other receivables, net of current portion	4	519,334,455	369,976,872
Property, plant and equipment, net	6	1,153,818,036	1,212,929,526
Investment properties, net	8	7,239,119,531	7,182,437,936
Right-of-use assets, net	19	31,157,023	33,292,501
Other non-current assets	7	41,450,164	41,450,164
Total non-current assets		8,984,879,209	8,840,086,999
Total assets		9,891,316,176	9,722,967,242
Liabilities and Equity			
Current liabilities			
Trade payables and other liabilities	9	115,741,759	107,437,383
Dividends payable	9, 14	312,888,626	312,332,383
Lease liabilities	19	3,267,523	5,863,776
Total current liabilities		431,897,908	425,633,542
Non-current liabilities			
Lease liabilities, net of current portion	19	218,421,080	226,982,998
Security deposits and deferred rent income	11	189,135,416	140,914,842
Bonds payable	10	4,468,567,198	4,459,876,787
Retirement benefit obligation	13	314,672	314,672
Total non-current liabilities		4,876,438,366	4,828,089,299
Total liabilities		5,308,336,274	5,253,722,841
Equity			
Share capital	13	1,636,363,501	1,636,363,501
Additional paid-in-capital	13	2,307,335,739	2,307,335,739
Remeasurement on retirement benefits	12	50,894	50,894
Retained earnings		639,229,768	525,494,267
Total equity		4,582,979,902	4,469,244,401
Total liabilities and equity		9,891,316,176	9,722,967,242

The notes on pages 1 to 49 are integral part of these financial statements.

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Total Comprehensive Income

For each of the three years in the period ended December 31, 2024

(All amounts in Philippine Peso)

	Notes	2024	2023	2022
Rental income	1, 14	1,887,665,265	1,798,186,978	1,374,529,631
Cost of services	15	(104,305,887)	(103,045,990)	(91,269,041)
Gross profit		1,783,359,378	1,695,140,988	1,283,260,590
Operating expenses	16	(11,462,939)	(6,841,842)	(8,440,959)
Income from operations		1,771,896,439	1,688,299,146	1,274,819,631
Finance costs	17	(346,162,465)	(309,448,027)	(17,584,040)
Other income, net	17	3,637,781	19,245,257	3,377,749
Income before income tax		1,429,371,755	1,398,096,376	1,260,613,340
Income tax expense	18	-	-	(8,200,316)
Net income for the year		1,429,371,755	1,398,096,376	1,252,413,024
Other comprehensive income		-	-	-
Total comprehensive income for the year		1,429,371,755	1,398,096,376	1,252,413,024
Earnings per share				
Basic and diluted	20	0.22	0.21	0.20

The notes on pages 1 to 49 are integral part of these financial statements.

Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso)

	Share capital (Note 13)	Additional paid-in-capital (Note 13)	Remeasurement on retirement benefits	Retained earnings	Total
Balances at January 1, 2022	1,374,545,501	2,465,066	50,894	250,984,668	1,628,046,129
Comprehensive income					
Net income for the year	-	-	-	1,252,413,024	1,252,413,024
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,252,413,024	1,252,413,024
Transactions with owners					
Issuance of shares	261,818,000	2,408,725,600	-	-	2,670,543,600
Share issuance costs	-	(103,854,927)	-	-	(103,854,927)
Cash dividends	-	-	-	(1,093,090,818)	(1,093,090,818)
Total transactions with owners	261,818,000	2,304,870,673	-	(1,093,090,818)	1,473,597,855
Balances at December 31, 2022	1,636,363,501	2,307,335,739	50,894	410,306,874	4,354,057,008
Comprehensive income					
Net income for the year	-	-	-	1,398,096,376	1,398,096,376
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,398,096,376	1,398,096,376
Transactions with owners					
Cash dividends	-	-	-	(1,282,908,983)	(1,282,908,983)
Total transactions with owners	-	-	-	(1,282,908,983)	(1,282,908,983)
Balances at December 31, 2023	1,636,363,501	2,307,335,739	50,894	525,494,267	4,469,244,401
Comprehensive income					
Net income for the year	-	-	-	1,429,371,755	1,429,371,755
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,429,371,755	1,429,371,755
Transactions with owners					
Cash dividends	-	-	-	(1,315,636,254)	(1,315,636,254)
Total transactions with owners	-	-	-	(1,315,636,254)	(1,315,636,254)
Balances at December 31, 2024	1,636,363,501	2,307,335,739	50,894	639,229,768	4,582,979,902

The notes on pages 1 to 49 are integral part of these financial statements.

Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Cash Flows
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Income before income tax		1,429,371,755	1,398,096,376	1,260,613,340
Adjustments for:				
Depreciation and amortization	6, 19	71,347,776	71,360,501	71,363,428
Finance costs	17	346,162,465	309,448,027	17,584,040
Unrealized foreign exchange (gain) losses, net	21	47,456	(10,960)	113,799
Interest income	3, 4, 17	(3,762,414)	(19,234,297)	(3,070,975)
Operating income before working capital changes		1,843,167,038	1,759,659,647	1,346,603,632
Changes in working capital:				
Trade and other receivables		(166,949,657)	(168,063,993)	(136,326,810)
Prepayments and other current assets		(25,244,178)	(171,718,274)	(17,586,521)
Other non-current assets		-	(36,170,854)	7,486,370
Trade payables and other liabilities		8,860,619	11,352,965	(7,701,307)
Due to a related party		-	(53,223,717)	(71,442,959)
Security deposits		43,789,681	(6,126,256)	141,239,078
Net cash generated from operations		1,703,623,503	1,335,709,518	1,262,271,483
Interest received		3,762,414	5,147,697	855,202
Net cash provided by operating activities		1,707,385,917	1,340,857,215	1,263,126,685
Cash flows from investing activities				
Additions to investment properties	8	(66,782,403)	(4,267,241,500)	(2,507,918,610)
Interest received from short-term placements		-	14,086,600	-
Net cash used in investing activities		(66,782,403)	(4,253,154,900)	(2,507,918,610)
Cash flows from financing activities				
Proceeds from issuance of shares	13	-	-	2,670,543,600
Principal payment of lease liabilities	19	(16,398,878)	(2,406,115)	(20,109,933)
Interest payment on lease liabilities	19	(10,404,404)	(10,589,344)	(9,951,228)
Payments of share issuance costs	5, 13	-	-	(68,190,556)
Payments of dividends	13	(1,315,636,254)	(1,250,181,713)	(805,090,842)
Interest payment on bonds	10	(317,443,506)	(238,082,626)	-
Proceeds from bonds issuance	10	-	4,500,000,000	-
Payments of bond issuance costs	10	-	(41,004,160)	-
Net cash provided by (used in) financing activities		(1,659,883,042)	2,957,736,042	1,767,201,041
Net increase (decrease) in cash		(19,279,528)	45,438,357	522,409,116
Cash at January 1	3	616,861,821	571,423,464	49,014,348
Cash at December 31	3	597,582,293	616,861,821	571,423,464

The notes on pages 1 to 49 are integral part of these financial statements.

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Notes to the Financial Statements

As at December 31, 2024 and 2023 and

for each of the three years in the period ended December 31, 2024

(All amounts are shown in Philippine Peso unless otherwise stated)

1 General information

(a) Corporate information

Citicore Energy REIT Corp. (formerly Enfinity Philippines Renewable Resources Inc.) (the “Company”) was registered with the Philippine Securities and Exchange Commission (SEC) on July 15, 2010.

Prior to May 25, 2021, the Company’s primary objective is to explore, develop and utilize renewable resources with particular focus on solar and wind energy generation; to design, construct, erect, assemble, commission and operate power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy.

The amended primary purpose of the Company is to engage in the business of owning income-generating real estate assets, including renewable energy generating real estate assets, under a real estate investment trust (REIT) by virtue of Republic Act (RA) No. 9856, otherwise known as the “*Real Estate Investment Trust Act of 2009*” and its implementing rules and regulations.

The Company’s 22.33-megawatt (MW) Clark Solar Power Project in Clark, Freeport Zone, Pampanga was successfully commissioned on March 12, 2016 through the confirmation of the Department of Energy (DOE) covering its Solar Energy Service Contract (SESC) No. 2014-07-086 and Amended Certificate of Commerciality No. SCC-2015-03-014-B with validity of 25 years. On October 13, 2021, the Company assigned the SESC to Citicore Renewable Energy Corp. (the “Parent Company” or CREC), making the latter the operator of the Clark Solar Power Plant. The assignment was approved by the DOE on December 24, 2021.

On May 25, 2021, the Company’s Board of Directors (BOD) and shareholders approved, among others, the following amendments to the Company’s Articles of Incorporation (AOI): (i) change of corporate name from Enfinity Philippines Renewable Resources Inc. to Citicore Energy REIT Corp.; (ii) amendment of the primary purpose to that of a real estate investment trust; (iii) change of principal office address from Prince Balagtas Avenue Extension, Clark Freeport Zone, Pampanga to 11F, Rockwell Santolan Town Plaza, 276 Col. Bonny Serrano Avenue, San Juan City, Metro Manila; and (iv) increase of authorized share capital to P3.84 billion divided into 15.36 billion common shares with par value of P0.25 per share.

On May 26, 2021, as part of the increase in authorized share capital, the Parent Company subscribed to 2.4 billion shares as consideration for the assignment by Parent Company of its advances to the Company amounting to P602,465,066. In addition, Parent Company and Citicore Solar Tarlac 1, Inc. (CST1) (formerly nv vogt Philippine Solar Energy Three, Inc.) subscribed to 19,461,142 shares and 918,720,864 shares, respectively, or a total of 938,182,006 shares, as consideration for the assignment of parcels of land, with an aggregate area of 138,164 sq.m., located in Brgy. Armenia, Tarlac (Note 13).

The Company’s submission to the SEC for the foregoing amendments was approved on October 12, 2021. Upon issuance of the shares during 2021, the Company’s shareholding structure was 16.7% and 83.3% owned by CST1 and Parent Company, respectively. Prior to October 12, 2021, the Parent Company owns 100% of the Company.

The Company's ultimate parent company is Citicore Holdings Investment, Inc., a company incorporated in the Philippines as a holding company engaged in buying and holding shares of other companies.

On November 4, 2021, the Company's BOD and shareholders approved, among others, to amend its AOI and delete one of the secondary purposes reflected in the amended AOI as approved by BOD on May 25, 2021 as follows: "to invest in or otherwise engage in the exploitation, development, and utilization of renewable energy resources with particular focus on solar and wind energy generation; to design, construct, erect, assemble, commission and operate power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy". The Company's submission to the SEC for the foregoing amendment was approved on November 17, 2021.

On January 14, 2022 and February 2, 2022, the Philippine Stock Exchange ("PSE") issued notice of acceptance and the Philippine SEC issued permit to sell, respectively, in relation to the Company's application for initial public offering. The Company attained its status as "public company" on February 22, 2022 when it listed its shares as a REIT in the main board of the PSE. As a public company, it is covered by the Part II of Securities Regulation Code ("SRC") Rule 68.

On March 15, 2024, the Parent Company and CST1 sold a total of 1,884,374,000 common shares in the Company at P2.6534 per share to SM Investments Corporation (SMIC) raising approximately P5.0 billion. The Parent Company will continue to be the single largest shareholder in the Company with a 32.88% effective ownership post-transaction (excluding shares in trust held by directors and officers). Proceeds from the sale will be used by the Parent Company to fund further development of solar construction projects across different locations nationwide. The Parent Company believes that it maintains control mainly because it is still in-charge of managing the relevant business activities including day-to-day operations.

As at December 31, 2023, the Company has 137 shareholders, each owning one hundred (100) or more shares. As at December 31, 2024, the Company has 136 shareholders, each owning one hundred (100) or more shares.

The total shares outstanding are held by the following shareholders as at December 31:

	2024	2023
CREC	32.99%	47.76%
SMIC	28.79%	-
Public	38.22%	38.21%
CST1	-	14.04%
	100.00%	100.00%

On June 8, 2022, the Company's stockholders approved the issuance of fixed-rate bonds not exceeding thirty five percent (35%) of the value of the deposited property of the Company or up to the allowable leverage under the REIT Act of 2009 and its implementing rules and regulations. On February 10, 2023, the Company listed its maiden ASEAN Green Bonds amounting to P4.5 billion which bear a coupon interest rate of 7.0543% in the Philippine Dealing and Exchange Corp (Note 10). In 2022, the Company received PRS AA+ rating with stable outlook from PhilRatings for both the Company and its proposed bond issuance. The rating, which is considered as an investment grade, allowed the Company to increase its leverage limit from the minimum 35% of the deposited property to a maximum of 70% as prescribed in the REIT IRR. PRS AA+ rating is continuously monitored as long as the rated bond issuance is outstanding.

(b) Approval and authorization for the issuance of financial statements

These financial statements have been approved and authorized for issuance by the Company's BOD on March 25, 2025.

2 Segment reporting

The Company's operating businesses are organized and managed according to the nature of the products and services that are being marketed. Each segment represents a strategic business unit that offers different products and serves different markets. The Company has operations only in the Philippines.

The Company derives revenues from two (2) main segments as follows:

(a) Sale of solar energy

This business segment pertains to the generation of electricity from solar power energy through its Clark Solar Power Project. National Transmission Corporation (TransCo) is the Company's sole customer for its sale of solar energy. As a result of assignment of SESC of the Clark Solar Plant to its Parent Company, the sale of solar energy business was terminated with the approval of the DOE on December 24, 2021 effective December 25, 2021 (Note 15). The assignment entailed the transfer of rights as a service contractor with the Philippine government but did not convey ownership over the assets. This was a change in the revenue model using the same solar plant and equipment. The Company still generates cash flows from these assets in the form of lease income instead of sale of solar energy before the assignment. Notwithstanding the change in revenue model, the cash-generating unit remains intact and owned by the Company.

(b) Leasing

This business segment pertains to the rental operations of the Company with related parties (Note 15).

All amounts reported in the financial statements of the Company as at and for the years ended December 31, 2024 and 2023 are attributable to this segment except for trade receivables from TransCo amounting to P62.78 million (2023 - P80.23 million) and interest income arising from amortization of discount on trade receivables amounting to P3.60 million (2023 - P4.42 million; 2022 - P2.69 million) (Note 4), which are attributable to sale of solar energy segment.

The results of operations of the reportable segments of the Company for each of the three years in the period ended December 31, 2024 are as follows:

	December 31, 2024		
	Leasing	Sale of solar energy	Total
Revenue	1,887,665,265	-	1,887,665,265
Cost of services	(104,305,887)	-	(104,305,887)
Gross profit	1,783,359,378	-	1,783,359,378
Operating expense	(11,462,939)	-	(11,462,939)
Finance costs	(346,162,465)	-	(346,162,465)
Other income, net	41,728	3,596,053	3,637,781
Income before income tax	1,425,775,702	3,596,053	1,429,371,755
Income tax expense	-	-	-
Net income for the year	1,425,775,702	3,596,053	1,429,371,755

	December 31, 2023		
	Leasing	Sale of solar energy	Total
Revenue	1,798,186,978	-	1,798,186,978
Cost of services	(103,045,990)	-	(103,045,990)
Gross profit	1,695,140,988	-	1,695,140,988
Operating expense	(6,841,842)	-	(6,841,842)
Finance costs	(309,448,027)	-	(309,448,027)
Other income, net	14,828,979	4,416,278	19,245,257
Income before income tax	1,393,680,098	4,416,278	1,398,096,376
Income tax expense	-	-	-
Net income for the year	1,393,680,098	4,416,278	1,398,096,376

	December 31, 2022		
	Leasing	Sale of solar energy	Total
Revenue	1,374,529,631	-	1,374,529,631
Cost of services	(91,269,041)	-	(91,269,041)
Gross profit	1,283,260,590	-	1,283,260,590
Operating expense	(8,440,959)	-	(8,440,959)
Finance costs	(17,584,040)	-	(17,584,040)
Other income, net	690,020	2,687,729	3,377,749
Income before income tax	1,257,925,611	2,687,729	1,260,613,340
Income tax expense	-	(8,200,316)	(8,200,316)
Net income for the year	1,257,925,611	(5,512,587)	1,252,413,024

The segment assets and liabilities of the reportable segments of the Company as at December 31 are as follows:

	2024			2023		
	Leasing	Sale of solar energy	Total	Leasing	Sale of solar energy	Total
Segment assets						
Current	873,925,220	32,511,747	906,436,967	865,429,026	17,451,217	882,880,243
Non-current	8,954,610,256	30,268,953	8,984,879,209	8,777,306,298	62,780,701	8,840,086,999
	9,828,535,476	62,780,700	9,891,316,176	9,642,735,324	80,231,918	9,722,967,242
Segment liabilities						
Current	431,897,908	-	431,897,908	425,633,542	-	425,633,542
Non-current	4,876,438,366	-	4,876,438,366	4,828,089,299	-	4,828,089,299
	5,308,336,274	-	5,308,336,274	5,253,722,841	-	5,253,722,841

All revenues of the Company are from domestic entities incorporated in the Philippines, hence, the Company did not present geographical information required by Philippine Financial Reporting Standards (PFRS) 8, "Operating Segments".

3 Cash

Cash as at December 31 consist of:

	2024	2023
Cash on hand	50,000	115,000
Cash in banks	597,532,293	616,746,821
	597,582,293	616,861,821

Cash in banks earn interest at the prevailing bank deposit rates.

Total interest income earned from cash in banks and short-term placements for the years ended December 31 is as follows:

	Note	2024	2023	2022
Interest income	17	166,360	14,818,019	383,246

4 Trade and other receivables, net

Trade and other receivables, net as at December 31 consist of:

	Notes	2024	2023
Current			
Trade receivables from TransCo		32,511,747	17,451,217
Lease receivables	11	49,584,830	45,258,258
Receivable arising from VAT refunds	5	125,769,210	-
Other receivable		1,944,096	3,739,124
Allowance for doubtful account of other receivable		(1,944,096)	(1,944,096)
		-	1,795,028
		207,865,787	64,504,503
Non-current			
Trade			
Receivables from TransCo		30,268,953	62,780,701
Lease receivables	11	489,065,502	307,196,171
		519,334,455	369,976,872

Trade receivables are generally collectible within a 60-day period. In accordance with the Renewable Energy Payment Agreement (REPA), in the event that TransCo fails to pay any amount stated in the feed-in tariff (FIT) statement of account upon the lapse of one billing period from the relevant payment date, TransCo shall pay to the Company such unpaid amount plus interest thereon, calculated from the relevant payment date to the day such amount is actually paid. Interest rate is the rate prevailing for a 91-day treasury bill plus 3%. There are no interest income arising from late payments of TransCo for the years ended December 31, 2024, 2023 and 2022.

Details of trade receivables from TransCo as at reporting periods are as follows:

	Current	Non-current	Total
December 31, 2024			
Trade receivables	34,504,111	30,899,821	65,403,932
Discount on receivables	(1,992,364)	(630,868)	(2,623,232)
	32,511,747	30,268,953	62,780,700
December 31, 2023			
Trade receivables	20,465,885	65,403,932	85,869,817
Discount on receivables	(3,014,668)	(2,623,231)	(5,637,899)
	17,451,217	62,780,701	80,231,918

In 2020, the ERC issued Resolution No. 06, Series of 2020, which was further clarified in February 2021, to confirm that the actual recovery of the arrears FIT rate adjustment shall be for a period of 5 years whereas those from January 2016 generation shall start billing in December 2020 and payment schedule starts in January 2021. As a result, additional revenue was recognized during December 2021 amounting to P83.53 million to be recovered within the next 5 years after December 31, 2021 (Note 14).

Discount on trade receivables from TransCo arising from this amounted to P2.62 million as at December 31, 2024 (December 31, 2023 - P5.64 million). Interest income arising from amortization of discount on trade receivables from TransCo for the year ended December 31, 2024 amounted to P3.60 million (2023 - P4.42 million; 2022 - P2.68 million) (Note 17).

Lease receivables pertain to accrued rent resulting from the straight-line method of recognizing rental income.

Other receivable mainly pertains to a refund for overpaid insurance. During 2020, the Company provided an allowance for doubtful accounts for this receivable amounting to P1.94 million due to the changes in its credit quality. The provision was recognized as part of operating expenses in the statements of total comprehensive income.

The Company does not hold any collateral as security. Management believes that an allowance for doubtful accounts as at December 31, 2024 and 2023, except for other receivable which has been fully provided for, is not necessary since these account balances are deemed fully collectible. Trade receivables are all current in nature except from non-current portion of receivable from TransCo related to FIT-rate adjustments. All previous billings of the Company were collected in full.

None of the trade and other receivables that are fully performing have been renegotiated.

5 Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

	2024	2023
Input value-added tax (VAT)	57,739,794	175,627,184
Prepaid taxes	43,249,093	25,886,735
	100,988,887	201,513,919

Input VAT represents VAT on purchases of goods and services which can be recovered either as tax credit against future output VAT or through refund.

Prepaid taxes include creditable withholding tax, overpayment of withholding taxes and income taxes.

During 2024, the Company claimed for an input VAT amounting to P125,769,210 related to the taxable year 2023. The related receivable from the BIR was recognized as part of trade and other receivables, net which is expected to be refunded within one (1) year from the BIR (Note 3). There are no VAT refunds for the year ended December 31, 2023.

6 Property, plant and equipment, net

Details and movements of property, plant and equipment, net as at and for the years ended December 31 are as follows:

	Solar plant and equipment	Substation and transmission lines	Computer equipment	Service vehicle	Total
Cost					
January 1, 2023,					
December 31,					
2023 and 2024	1,664,296,964	44,477,618	40,000	135,500	1,708,950,082
Accumulated depreciation					
January 1, 2023	418,715,895	18,041,731	40,000	97,108	436,894,734
Depreciation	55,894,292	3,204,430	-	27,100	59,125,822
December 31, 2023	474,610,187	21,246,161	40,000	124,208	496,020,556
Depreciation	55,895,767	3,204,431	-	11,292	59,111,490
December 31, 2024	530,505,954	24,450,592	40,000	135,500	555,132,046
Net book values					
December 31, 2024	1,133,791,010	20,027,026	-	-	1,153,818,036
December 31, 2023	1,189,686,777	23,231,457	-	11,292	1,212,929,526

The Clark Solar Power Project was funded through a Term Loan Facility Agreement with Development Bank of the Philippines (DBP). The solar plant and equipment include capitalized borrowing costs amounting to P13.69 million. The Company's solar plant and equipment is pledged as collateral under the chattel mortgage agreement entered into in relation to this agreement. On May 4, 2021, the Parent Company assumed the Company's outstanding loan with DBP. As a result, the chattel mortgage agreement was rescinded by DBP on November 3, 2021.

There were no additions for the years ended December 31, 2024 and 2023.

Depreciation expenses for the years ended December 31 are recognized as follows:

	Notes	2024	2023	2022
Cost of services	15	59,100,198	59,098,722	59,099,431
Operating expenses	16	11,292	27,100	30,433
		59,111,490	59,125,822	59,129,864

Following the approval of the DOE on the assignment of SESC No. 2014-07-086 of the Clark Solar Plant to its Parent Company effective December 25, 2021, the Company leased out the Clark Solar Plant to its Parent Company in exchange of fixed and variable lease rental (Note 11). The Parent Company became the Clark Solar Plant operator.

Based on the results of management assessment, the Company believes that there were no indicators of impairment as at December 31, 2024 and 2023.

7 Other non-current assets

Other non-current assets as at December 31 consist of:

	Note	2024	2023
Security deposits	19	5,279,310	5,279,310
Cash bond		36,170,854	36,170,854
		41,450,164	41,450,164

Cash bonds pertain to deposits to Department of Agrarian Reform (DAR) for the land conversion from agricultural to industrial use which are refundable after 12 to 24 months.

8 Investment properties, net

Details and movements of investment properties as at December 31 are as follows:

	Freehold land assets	Leasehold land assets	Total
Cost			
January 1, 2023	2,742,464,112	193,407,106	2,935,871,218
Additions	4,267,241,500	-	4,267,241,500
December 31, 2023	7,009,705,612	193,407,106	7,203,112,718
Additions	66,782,403	-	66,782,403
December 31, 2024	7,076,488,015	193,407,106	7,269,895,121
Accumulated amortization			
January 1, 2023	-	10,573,974	10,573,974
Amortization	-	10,100,808	10,100,808
December 31, 2023	-	20,674,782	20,674,782
Amortization	-	10,100,808	10,100,808
December 31, 2024	-	30,775,590	30,775,590
Net book values			
December 31, 2024	7,076,488,015	162,631,516	7,239,119,531
December 31, 2023	7,009,705,612	172,732,324	7,182,437,936

The amounts recognized in the statements of total comprehensive income for the years ended December 31 related to the investment properties are as follows:

	Notes	Freehold land assets	Leasehold land assets	Total
2024				
Rental income		860,730,081	736,902,777	1,597,632,858
Amortization of deferred rent income		3,624,240	2,583,646	6,207,886
Total revenue	14	864,354,321	739,486,423	1,603,840,744
Cost of services	15			
Depreciation			(10,100,808)	(10,100,808)
Property management fee		(10,280,403)	(10,403,728)	(20,684,131)
Fund management fee		(3,426,802)	(3,467,909)	(6,894,711)
Finance costs	17	(327,747,583)	(13,657,770)	(341,405,353)
Profit arising from investment properties		522,899,533	701,856,208	1,224,755,741
2023				
Rental income		789,806,177	719,860,717	1,509,666,894
Amortization of deferred rent income		2,441,220	2,583,646	5,024,866
Total revenue	14	792,247,397	722,444,363	1,514,691,760
Cost of services	15			
Depreciation		-	(10,100,808)	(10,100,808)
Property management fee		(9,412,952)	(10,394,836)	(19,807,788)
Fund management fee		(3,137,651)	(3,464,945)	(6,602,596)
Finance costs	17	(289,292,003)	(12,277,764)	(301,569,767)
Profit arising from investment properties		490,404,791	686,206,010	1,176,610,801

(a) *Freehold land asset*

On May 25, 2021, the Company and Parent Company, executed a deed of assignment whereas the latter hereby assigns, transfers, and conveys a parcel of land located in Brgy. Armenia, Tarlac City, Tarlac to the former, absolutely, and free from all liens and/or encumbrances, valued at P4.87 million in consideration for the issuance of Company's shares upon approval of the SEC of the Company's application for the increase in authorized share capital. On the same date, the Company and CST1 executed a deed of assignment whereas the latter hereby assigns, transfers, and conveys several parcels of land located in Brgy. Armenia, Tarlac City, Tarlac to the former, absolutely, and free from all liens and/or encumbrances valued at P229.68 million in consideration for the issuance of Company's shares upon approval of the SEC of the Company's application for the increase in authorized share capital (Note 14). These parcels of land are recognized with reference to its fair value. The approval of the increase in the authorized share capital was obtained from the SEC on October 12, 2021. The actual transfer and registration of the parcels of land to the Company's name were finalized on October 27, 2021.

In 2022, the Company executed a deed of absolute sale with Citicore Solar Bulacan, Inc. (CSBI) and Citicore Solar South Cotabato, Inc. (CSSCI), entities under common control, for the purchase of several parcels of land located in San Ildefonso, Bulacan and Brgy. Centrala, Suralla, South Cotabato for a total consideration of P1.75 billion and P753.80 million, respectively (Note 11).

The proceeds from the P4.5 billion bonds which the Company raised in February 2023 (Note 10) were used to acquire parcels of land from multiple land-owners spread across the three barangays in Tuy, Batangas, namely: Brgy. Lumbangan, Brgy. Luntal, and Brgy. Bolbok. Additional acquisitions were also made in Arayat, Pampanga, Mexico, Pampanga and Pangasinan. These parcels of land are ideal for utility scale solar power plants due to proximity to the National Grid Corporation of the Philippines (NGCP) substation and proven solar irradiance resources. The cost of acquisition, taxes and other land related expenses were capitalized as part of investment properties. These parcels of land were subsequently leased out to its related parties (Note 11).

The aggregate fair value of these parcels of land as determined by an independent appraiser as at December 31, 2024 amounted to P10.23 billion (2023 - P10.15 billion). The fair value of the parcels of land was estimated by the independent appraiser using the discounted cash flow analysis grounded on the principle that the value of an economic entity is the present worth of the economic benefits it will generate in the future (i.e., economic benefits come in the form of lease of the solar power plant). This approach requires a forecast of the economic entity's stream of net income based on lease contract. These net income or rents are then summed up and discounted back to present value by an appropriate discount rate, then add the terminal value of the property. The valuation process consists of estimation of the current market value of the leased property and present value of the unexpired contract rentals. The discounted cash flow analysis falls under the income approach which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. This approach falls under Level 3 of the fair value hierarchy. As required by the REIT Implementing Rules and Regulations (REIT IRR), a full valuation of the Company's assets shall be conducted by an independent property valuer at least once a year. Management assessed that there are no significant changes in the business environment from the date of last valuation up to reporting date which would impact the fair value of the properties.

The fair value is sensitive to the following unobservable inputs: (1) lease income growth rates (fixed and variable lease) which were based on the signed lease contracts and (2) discount rate using the weighted average cost of capital based on the average capital structure of the companies in the solar energy sector as of the valuation date.

The current use of the parcels of land is its highest and best use.

(b) Leasehold land assets

The Company, as a lessee, entered on the following lease agreements:

- On July 26, 2021, the Company entered into a contract of sublease and contract of lease with the owners of parcels of land with a total aggregate area of approximately 4.8 hectares and 5.6 hectares, respectively, which are located in Brgy. Dalayap, Tarlac City, Tarlac. Each of these land properties are covered by an existing lease contract with an original term from November 1, 2015 to October 31, 2040 with Citicore Solar Tarlac 2, Inc. (CST2), an entity under common control. The Company subleased the land back to CST2 effective November 1, 2021 (Note 11). These lease agreements are effective for 19 years commencing on November 1, 2021 until October 31, 2040 which may be extended at the option of the Company for another 25 years upon the acceptance by and consent of the lessor.
- On July 26, 2021, the Company entered into a deed of assignment with Citicore Solar Cebu, Inc. (CSCI) (assignor), an entity under common control, and a third-party lessor, to transfer, assign, and convey unto the Company (assignee) all of the assignor's rights and obligations under the contract of lease dated November 12, 2015 for the lease of parcel of land with total aggregated area of approximately 73 hectares located in Brgy. Talavera, Toledo City, Cebu. The third-party lessor consented to the assignment of the contract of lease in favor of the Company and the sublease of the leased area by the Company in favor of the assignor. CSCI operates a 60 MW installed capacity solar power plant in the leased area that was successfully commissioned on June 30, 2016. The Company shall pay an advance rental every two years, subject to escalation rate of 12% every five years, for a period of 25 years, reckoned from the effective date stipulated in the Renewable Energy Payment Agreement but not later than May 31, 2016, subject to renewal. The agreement took effect on January 1, 2022. On July 26, 2021, the Company entered into sublease agreement with CSCI (sublessee) related to the identified leased area effective January 1, 2022 (Note 11).

- On July 28, 2021, the Company entered into a lease agreement with an owner of several parcels of land located in Brgy. Rizal, Silay City, Negros Occidental. These land properties are covered by an existing lease contract that commenced on June 1, 2016 with Citicore Solar Negros Occidental, Inc. (CSNO), an entity under common control. The new lease agreement commenced on January 1, 2022 until October 31, 2040 which may be extended for additional five (5) years unless the parties agreed to terminate the lease agreement at the end of the initial term. The lease payment is subject to annual escalation rate of 2% beginning in the third year of the lease. CSNO operates a 25 MW installed capacity solar power plant in the leased area that was successfully commissioned on March 8, 2016. On July 28, 2021, the Company entered into sublease agreement with CSNO (sublessee) to sublease the identified leased area effective January 1, 2022 (Note 11).

The aggregate fair value of these parcels of land classified as leasehold land assets as determined by an independent appraiser as at December 31, 2024 amounted to P6.68 billion (2023 - P6.88 billion). The same valuation technique was used in measuring the fair value as that of the freehold land assets.

Right-of-use assets arising from these leasing arrangements are presented under leasehold land assets. Land is the underlying asset to which the right-of-use assets would be grouped if these were owned by the Company.

9 Trade payables and other liabilities

Trade payables and other liabilities as at December 31 consist of:

	Notes	2024	2023
Trade payables		936,302	480,488
Due to government agencies		64,685,674	56,837,111
Interest payable	10	43,993,528	43,993,528
Deferred rent income, current portion	11	6,126,255	6,126,256
		115,741,759	107,437,383

Trade payables to third parties are normally due within a 30-day period.

On May 6, 2021, the Company settled a portion of its due to government agencies with a local government unit amounting to P51.86 million by paying P22.17 million through compromise settlement. The difference of the obligation settled and the actual payment, including professional fees, amounting to P25.2 million was recognized as part of other income, net in the statements of total comprehensive income. The remaining balance of due to government agencies pertains to unpaid real property taxes and business taxes to a local government unit, withholding taxes and mandatory government contributions. Withholding taxes include final withholding tax amounting to P7.84 million for cash dividends declared on November 12, 2024 and paid on January 13, 2025 (2023 - P8.39 million final withholding tax for cash dividends declared on November 9, 2023 and paid on January 22, 2024) (Note 13).

10 Bonds payable

From January 30, 2023 to February 3, 2023, the Company offered P4.5 billion ASEAN Green Bonds to the public at face value and subsequently issued and listed these ASEAN Green Bonds in the Philippine Dealing & Exchange Corp. (PDEX) on February 10, 2023. The ASEAN Green Bonds are denominated in Philippine Peso, maturing in 5 years from the issue date and bear a fixed interest rate of 7.0543% per annum. Interest is payable quarterly in arrears on May 10, August 10, November 10, and February 10 of each year. Prior to the maturity date, the Company has the right, but not the obligation, to redeem (in whole but not in part) the outstanding ASEAN Green Bonds on early redemption option dates as follows:

Early redemption option dates	Early redemption option price
On the 3rd anniversary of the issue date and every interest payment date preceding the 4th anniversary of the issue date	101%
On the 4th anniversary of the issue date and every interest payment date thereafter	100.5%

The ASEAN Green Bonds shall have the benefit of a negative pledge on all present and future assets and revenues of CREIT, subject to certain permitted liens. The Company shall remain, for as long as any of the ASEAN Green Bonds remain outstanding, compliant with the aggregate leverage limit imposed by the REIT Law. Under the REIT Law, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its deposited property, provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its deposited property and provided further that in no case shall its fund manager borrow for the REIT from any of the funds under its management. The ASEAN Green Bonds are rated Aa+ with stable outlook by PhilRatings. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the ASEAN Green Bonds are outstanding. As at December 31, 2024 and 2023, the Company is compliant with this covenant.

The Company incurred total bond issuance cost for the year ended December 31, 2023 amounting to P47.34 million which includes P6.33 million incurred during 2022 (Note 5).

The amortized cost of the ASEAN Green Bonds as at December 31, 2024 follows:

	2024	2023
Principal	4,500,000,000	4,500,000,000
Bond issuance cost		
January 1	(40,123,213)	(47,339,062)
Amortization	8,690,411	7,215,849
December 31	(31,432,802)	(40,123,213)
	4,468,567,198	4,459,876,787

Total finance costs recognized in the statements of total comprehensive income for the year ended December 31, 2024 amounted to P326.13 million (2023 - P289.29 million). Finance costs include amortization of bond issuance cost amounting to P8.69 million (2023 - P7.22 million). Movements in interest payable for the years ended December 31 follow:

	Note	2024	2023
Beginning		43,993,528	-
Interest expense		326,133,917	289,292,003
Amortization of bond issuance cost		(8,690,411)	(7,215,849)
Interest payments		(317,443,506)	(238,082,626)
	9	43,993,528	43,993,528

On February 10, 2023, the Parent Company subscribed to P500.00 million of the Company's ASEAN Green Bonds with coupon rate of 7.0543% at face value.

11 Related party transactions

In the normal course of business, the Company transacts with companies which are considered related parties under Philippine Accounting Standards (PAS) 24, *“Related Party Disclosures”*.

The transactions and outstanding balances of the Company as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 with related parties are as follows:

	Transactions			Outstanding balance Receivables (Payables)		Terms and conditions
	2024	2023	2022	2024	2023	
Related parties						
Parent Company						
Lease income	290,494,271	285,769,013	282,393,829	48,805,632	34,770,872	Refer to (c) and Notes 4 and 14.
Advances to (from)	-	53,223,717	71,442,959	-	-	Refer to (a).
Security deposits						
Additions	-	-	(22,180,645)	(22,180,645)	(22,180,645)	Refer to (c).
Accretion of interest expense	842,017	842,017	406,868	8,382,844	9,224,860	
	842,017	842,017	(21,773,777)	(13,797,801)	(12,955,785)	
Deferred rent income						
Additions	-	-	(10,473,745)	(10,473,745)	(10,473,745)	Refer to (c).
Amortization	1,101,388	1,101,390	550,694	2,753,469	1,652,084	
	1,101,388	1,101,390	(9,923,051)	(7,720,276)	(8,821,661)	
Entities under common control						
Lease income	1,589,861,720	1,506,291,710	1,089,072,676	489,518,688	317,683,557	Refer to (c) and Notes 4 and 14.
Acquisition of properties	-	-	2,507,918,610	-	-	Refer to Note 8.
Property management fee	24,727,052	23,784,441	14,942,644	-	-	Refer to (d).
Fund management fee	8,242,351	7,928,148	4,980,881	-	-	Refer to (e).
Security deposits						
Additions	51,098,952	-	128,247,815	(179,346,767)	(128,247,815)	Refer to (c).
Accretion of interest expense	3,588,876	3,068,975	1,484,160	116,264,511	79,876,332	
				(63,082,256)	(48,371,483)	
Deferred rent income						
Additions	39,977,056	-	84,429,467	(124,406,523)	(84,429,467)	Refer to (c).
Amortization	6,207,886	5,024,866	2,512,432	13,745,186	7,537,298	
				(110,661,337)	(76,892,169)	

(a) Advances

Advances to (from) related parties are made to finance working capital requirements or to assume receivables and payables to (from) related parties and/or third parties. Advances to (from) related parties are unsecured, with no guarantee, non-interest bearing, collectible (payable) in cash both on demand and after more than 12 months and are expected to be collected (settled) in cash or offset with outstanding liability (receivable).

There was no offsetting as at and for the years ended December 31, 2024 and 2023.

These are non-interest bearing and not covered by guarantees or collaterals.

(b) Key management compensation

Except for the directors' fees that the Company pays to each of the independent directors, there are no other arrangements for the payment of compensation or remuneration to the directors of the Company in their capacity as such. Directors' fees during the year ended December 31, 2024 amounted to P1.16 million (2023 - P1.00 million and 2022 - P1.98 million) (Note 16).

The Company's management functions are being handled by the Parent Company and another related party at no cost. No other short-term or long-term compensation was paid to key management personnel for each of the three years in the period ended December 31, 2024.

(c) Lease agreements

During 2021, the Company entered into various lease contracts, as a lessor, with related parties as follows:

- Sublease agreement of below land properties to related parties:

- Land property located in Brgy. Dalayap, Tarlac City, Tarlac with CST2

The agreement is effective for 19 years commencing on November 1, 2021 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the sublessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P56.60 million (2023 - P58.01 million; 2022 - P61.76 million) (Note 14).

- Land property located in Brgy. Rizal, Silay City, Negros Occidental with CSNO

The agreement is effective for 19 years commencing on January 1, 2022 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the sublessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P279.55 million (2023 - P294.63 million; 2022 - P279.05 million) (Note 14).

- Land property located in Brgy. Talavera, Toledo City, Cebu with CSCI

The agreement is effective for 19 years commencing on January 1, 2022 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the sublessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P403.49 million (2023 - P369.80 million; 2022 - P369.10 million) (Note 14).

- Lease agreement of below land properties to related parties:

- Land property located in Brgy. Armenia, Tarlac City, Tarlac with CST1

The agreement is effective for 25 years commencing on November 1, 2021 until October 31, 2046 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the lessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P66.96 million (2023 - P68.01 million; 2022 - P72.38 million) (Note 14).

- Land property located in San Ildefonso, Bulacan with CSBI

In 2021, the Company entered into a memorandum of agreement with CSBI for the future sale of land properties owned by CSBI to the Company. In 2022, the Company executed a deed of absolute sale for the purchase of several parcels of land located in San Ildefonso, Bulacan from CSBI for a total consideration of P1.75 billion (Note 8). The purchase price was fully paid as at December 31, 2022. The land properties were recognized as part of investment properties as at December 31, 2022. Subsequently, the Company and CSBI entered into a lease agreement for the same land properties.

The lease agreement is effective for 25 years commencing on January 1, 2022 until December 31, 2046 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the lessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to these land properties for the year ended December 31, 2024 amounting to P203.94 million (2023 - P203.94 million; 2022 - P215.46 million) (Note 14).

- Land property located in Brgy. Centrala, Suralla, South Cotabato with CSSCI

In 2021, the Company entered into a memorandum of agreement with CSSCI for the future sale of land properties located in Brgy. Centrala, Suralla, South Cotabato to the Company. In 2022, the Company entered into a contract to sell with CSSCI related to the acquisition of said property, on which CSSCI committed that from the signing of the contract until the signing of deed of absolute sale, CSSCI shall not make any offer, or entertain or discuss any offer, for the sale, mortgage, lease of said property with any person other than the Company. This has resulted in addition to the Company's investment properties. On June 6, 2022, the Company executed a deed of absolute sale for the purchase of said properties for a total consideration of P753.80 million. The purchase price was fully paid as at December 31, 2022. Subsequently, the Company and CSSCI entered into a lease agreement for the same property.

The lease agreement is effective for 25 years commencing on January 1, 2022 until December 31, 2046 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the lessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to these properties for the year ended December 31, 2024 amounting to P89.70 million (2023 - P89.70 million; P93.84 million) (Note 14).

- Land properties located in Brgy. Lumbangan and Brgy. Luntal, Tuy, Batangas with Citicore Solar Batangas 1, Inc. (CS Batangas 1) (formerly Greencore Power Solutions 4, Inc.)

In 2023, the Company entered into a contract of lease with CS Batangas 1 for the lease of land properties located in Brgy. Luntal and Brgy. Lumbangan, Municipality of Tuy, Batangas, respectively. The lease agreement is effective for 25 years commencing on January 1, 2023 to December 31, 2047. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to Brgy. Luntal properties for the year ended December 31, 2024 amounting to P84.05 million (2023 - P83.79 million). The Company recognized lease income related to Brgy. Lumbangan properties for the year ended December 31, 2024 amounting to P105.03 million (2023 - P94.25 million) (Note 14).

- Land property located in Bolbok Phase 1 and Phase 2, Tuy, Batangas with Citicore Solar Batangas 2, Inc. (CS Batangas 2) (formerly Greencore Power Solutions 2, Inc.)

The Company entered into a contract of lease with CS Batangas 2 for the lease of land properties (Bolbok Phase 1 and Phase 2) located in Brgy. Bolbok, Municipality of Tuy, Batangas. The lease agreement is effective for 25 years commencing on February 1, 2023 to January 31, 2048 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to Bolbok Phase 1 properties for the period ended December 31, 2024 amounting to P75.18 million (2023 - P68.73 million) The Company recognized lease income related to Bolbok Phase 2 properties for the period ended December 31, 2024 amounting to P92.34 million (2023 - P84.43 million) (Note 14).

- Land property located in Arayat Phase 3, Arayat, Pampanga with CS Pampanga 1, Inc., (CS Pampanga 1)

In 2023, the Company entered into a contract of lease with CS Pampanga 1 for the lease of land properties located in Municipality of Arayat, Pampanga. The lease agreement is effective for 25 years commencing on February 1, 2023 to January 31, 2048 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to these properties for the period ended December 31, 2024 amounting to P63.66 million (2023 - P58.28 million) (Note 14).

- Land property located in San Manuel, Pangasinan with CS Pangasinan 2, Inc. (CS Pangasinan 2)

In 2023, the Company entered into a contract of lease with CS Pangasinan 2 for the lease of land properties located in San Manuel, Pangasinan. The lease agreement is effective for 25 years commencing on July 1, 2023 until June 30, 2048 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to these properties for the period ended December 31, 2024 amounting to P75.57 million (2023 - P37.74 million) (Note 14).

- Land property located in Mexico, Pampanga with Parent Company

In 2023, the Company entered into a contract of lease with its Parent Company for the lease of land properties located in Mexico, Pampanga. The lease agreement is effective for 25 years commencing on August 1, 2023 until July 31, 2043 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to these properties for the period ended December 31, 2024 amounting to P8.10 million (2023 - P3.38 million) (Note 14).

- Assignment of SESC of the Clark Solar Plant and the subsequent lease of the plant to the Parent Company

On October 13, 2021, the Company assigned SESC No. 2014-07-086 of the Clark Solar Plant to its Parent Company, thereby establishing the Parent Company as the operator of such plant. On the same date, the Company, as a lessor, and its Parent Company, as lessee, executed a lease contract for latter's use of the Clark Solar Plant in line with the assignment of SESC. The assignment was approved by the DOE on December 25, 2021 (Note 2). The lease agreement is effective for almost 18 years commencing on November 1, 2021 and ending on September 3, 2039 with the Company's right to re-evaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the Parent Company vis-a-vis the three-year historical plant generation and market prices. No rental income was recognized from this lease agreement during 2021 considering that the DOE only approved the assignment on December 24, 2021 effective December 25, 2021. Hence, commencement date of the contract was moved to January 1, 2022. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P283.50 million (2023 - P283.50 million; 2022 - P282.94 million) (Note 14).

In addition to the clauses discussed above, subject also to the Company's right over the leasehold properties, the Company and related party-lessees can continue and may further extend the lease period in a way that is beneficial to both parties. The lease payment for the lease agreements above is equivalent to the sum of fixed and variable lease rates.

The recognized lease receivables from related parties as at December 31, 2024 and 2023 pertain to accrued rent resulting from the straight-line method of recognizing rental income.

During 2024, the Company received security deposits from its lessees amounting to P51.10 million, which is equivalent to one-month to two-month lease payments for freehold land properties.

During 2023, the Company received security deposits from its lessees amounting to P29.80 million, which is equivalent to one-month to two-month lease payments for freehold land properties. During 2022, the Company received security deposits from its lessees amounting to P150.43 million, which is equivalent to three-month lease payments for freehold land properties and one-month lease payment for solar property and leasehold land properties. The security deposits shall remain valid until expiration of the lease agreements and shall serve as guarantee for the lessees' faithful compliance with the terms, conditions, and obligations of lease agreements. The security deposits shall be adjusted annually and the lessees shall provide the necessary amount to keep the security deposits equivalent to the number of months' rent. Upon termination of the lease agreements, the security deposits will be refunded without interest by the Company less payment of all remaining monetary obligations of the lessees to the Company. The security deposits, or the balance thereof, whichever is applicable shall be refunded to the lessees within 60 days from the return of the leased properties to the Company. In case of failure by the lessee to pay any monetary obligation under the lease agreements when the same becomes due, the lessor shall have the option to apply the security deposits to said monetary obligations and the lessee shall be notified of such application. The lessee shall restore the security deposits to its original amount before the succeeding due date for the payment of the lease payment. Should the lessor exercise this right to application, the lessee shall be considered in default unless and until it complies with the said restoration of the original amount of the security deposit within the specified period and the interest and penalty for default provided under the lease agreements shall be applied on any shortfall on the security deposit. These security deposits were presented as non-current liabilities in the statements of financial position as at December 31, 2024. During 2023, the Company has applied security deposits on the contractual lease for certain lessees amounting to P29.80 million. There is no similar transaction for the year ended December 31, 2024.

Details of security deposits and deferred rent income as at December 31 are as follows:

	Notes	2024	2023
Security deposits			
Gross amount			
Beginning		150,428,460	150,428,460
Additions		51,098,952	29,799,544
Applications		-	(29,799,544)
		201,527,412	150,428,460
Allowance for amortization of security deposits			
Beginning		(89,101,192)	(93,012,184)
Additions		(39,977,056)	-
Accretion of interest expense	17	4,430,893	3,910,992
		(124,647,355)	(89,101,192)
		76,880,057	61,327,268
Deferred rent income			
Beginning		85,713,830	91,840,086
Additions		39,977,056	-
Amortization	14	(7,309,272)	(6,126,256)
		118,381,614	85,713,830
Current portion	9	(6,126,255)	(6,126,256)
Non-current portion		112,255,359	79,587,574

Accretion of interest expense for the year ended December 31, 2024 amounted to P4.4 million (2023 - P3.9 million; 2022 - P1.89 million) (Note 17).

Deferred rent income pertains to the difference between the nominal values of the deposits and their fair values. These are initially measured at fair value and subsequently amortized using the straight-line method. Amortization of deferred rent income for the year ended December 31, 2024 amounted to P7.31 million (2023 - P6.13 million; 2022 - P3.06 million) which was recognized as part of rental income in the statements of total comprehensive income (Note 14).

(d) Property management fee

On August 9, 2021, the Company entered into a property management agreement with Citicore Property Managers, Inc. (CPMI), an entity under common control. CPMI will receive a management fee based on certain percentage of the Company's guaranteed base lease. Payment in cash is due and payable 10 days from receipt of billing statement. Property management commenced in 2022 in line with the date of Company's listing to PSE. Property management fee amounted to P24.73 million for the year ended December 31, 2024 (2023 - P23.78 million; 2022 - P14.94 million) (Note 15).

(e) Fund management fee

On July 26, 2021, the Company entered into a fund management agreement with Citicore Fund Managers, Inc. (CFMI), an entity under common control. CFMI will receive a management fee equivalent to a certain percentage of the Company's guaranteed base lease, plus a certain percentage of the acquisition price for every acquisition made by it on behalf of the Company and plus a certain percentage of the sales price for every property divested by it on behalf of the Company. Payment in cash is due and payable 10 days from receipt of billing statement. Fund management agreement commenced in 2022 in line with the date of Company's listing to PSE. Fund management fee amounted to P8.24 million for the year ended December 31, 2024 (2023 - P7.93 million; 2022 - P4.98 million) (Note 15).

On July 26, 2021, the BOD approved the Company's material related party transaction policy to adhere with SEC Memorandum Circular No. 10, Series of 2019 which include: the identification of related parties, coverage of material related party transactions, adjusted thresholds, identification and prevention or management of potential or actual conflicts of interests arising out of or in connection with the material related party transactions, guidelines in ensuring arm's length terms, approval of material related party transactions, self-assessment and periodic review of policy, disclosure requirements, whistleblowing mechanisms, and remedies for abusive material related party transactions. The BOD, with the assistance of the Related Party Transaction Review and Compliance Committee ("RPTRCC"), shall oversee, review, and approve all related party transactions to ensure that these are conducted in the regular course of business and on an arm's length basis and not undertaken on more favorable economic terms to the related parties than with non-related or independent parties under similar circumstances. The RPTRCC shall be granted the sole authority to review related party transactions. Those falling within the materiality thresholds set by the Company's BOD shall require the approval of the Chief Executive Officer and/or President or the BOD, as the case may be.

12 Retirement benefits

The Company provides for the estimated retirement benefits based on the requirements of RA No. 7641, otherwise known as the "Retirement Pay Law". Under the Retirement Pay Law, the retirement benefit obligation is computed as one-half of monthly salary for every year of service, a fraction of six months being considered as one whole year. The term one-half of monthly salary shall mean 15 days plus the one-twelfth of the 13th month, and the cash equivalent of not more than five days service incentive leaves.

The retirement benefit obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation was sought from an independent actuary last June 30, 2021. Management has assessed that there are no significant changes in the data and assumptions used in computing the present value of defined benefit obligation as at December 31, 2024 from the date of last actuarial valuation.

The retirement benefit obligation recognized in the statement of financial position as at December 31, 2024 and 2023 amounted to P0.31 million.

13 Share capital

The details and movements of the Company's share capital as at December 31 are as follows:

	2024		2023		2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized share capital						
Common shares - P0.25 par value	15,360,000,000	3,840,000,000	15,360,000,000	3,840,000,000	15,360,000,000	3,840,000,000
Issued and outstanding						
Common shares - P0.25 par value						
January 1	6,545,454,004	1,636,363,501	6,545,454,004	1,636,363,501	5,498,182,004	1,374,545,501
Issuances	-	-	-	-	1,047,272,000	261,818,000
December 31	6,545,454,004	1,636,363,501	6,545,454,004	1,636,363,501	6,545,454,004	1,636,363,501

(a) Share reclassifications and increase in authorized share capital

On March 12, 2021, the Company's BOD and shareholder approved that the redeemable preferred shares and other classes of common shares previously authorized and issued are and shall be convertible to one class common share and reduced the par value of all previously issued shares to P0.25 per share.

Consequently, the Company amended its AOI to reflect the change and converted all its previously issued shares to one class common share. The Company's authorized share capital and issued and outstanding shares amounted to P539,999,999 divided into 2,159,999,994 shares at P0.25 par value per share. The related certificate of filing of amended AOI was approved by the SEC on May 31, 2021.

On May 26, 2021, the Company's BOD and shareholder approved the increase in the authorized share capital of the Company from P539,999,999 (composed of 2,159,999,994 shares at P0.25 par value per share) to P3,840,000,000 (composed of 15,360,000,000 shares at P0.25 par value per share). The approval of the increase in the authorized share capital was obtained from the SEC on October 12, 2021 (Note 1).

(b) Share subscriptions

(i) Advances from Parent Company to share conversion subscription

On May 26, 2021, the Parent Company entered into a subscription agreement with the Company to subscribe 2,400,000,000 common shares to be taken from the increase in authorized share capital, upon approval by the SEC for a total consideration of P602,465,066. Total consideration in excess of par value of shares issued amounting to P2,465,066 was credited as additional paid in capital. The Parent Company assigned P602,465,066 of its advances to fully pay the subscription price. This is considered as a non-cash transaction.

(ii) Land properties for share subscription

On May 26, 2021, the Parent Company entered into a subscription agreement with the Company to subscribe 19,461,142 common shares to be taken from the increase in authorized share capital, upon approval by the SEC, for a total consideration of P4.87 million. The Parent Company assigned a parcel of land located in Brgy. Armenia, Tarlac in favor of the Company to fully pay the subscription price (Notes 8). This is considered as a non-cash transaction.

On the same date, CST1 entered into a subscription agreement with the Company to subscribe 918,720,864 common shares to be taken from the increase in authorized share capital, upon approval by the SEC, for a total consideration of P229.68 million. CST1 hereby assigns several parcels of land located in Brgy. Armenia, Tarlac in favor of the Company to fully pay the subscription price (Notes 8). This is considered as a non-cash transaction.

These parcels of land were recognized as investment properties (Note 8).

The application for the proposed increase in authorized share capital was filed with the SEC on May 25, 2021 and was approved on October 12, 2021, which resulted in the subsequent issuance of shares to the Parent Company and CST1 (Note 1).

During 2024, the Parent Company and CST1 sold a total of 1,884,374,000 common shares in the Company at P2.6534 per share to SMIC (Note 1).

(c) Sale to the public

On February 22, 2022, the Company successfully listed its shares with the PSE via the offer of (i) 1,047,272,000 new common shares with a par value of P0.25 per share issued and offered by the Company as "Primary Offer Shares", and (ii) 1,134,547,000 existing shares offered by the Parent Company, selling shareholder, pursuant to a "Secondary Offer Shares" with an over-allotment option of up to 327,273,000 shares which were exercised at such date. All the shares offered by the Company and the Parent Company were sold at an offer price of P2.55 per share. The Company recognized additional paid-up capital (APIC) arising from this transaction amounting to P2.4 billion in 2022. Transaction costs attributable to Primary Offer Shares which were treated as deduction to APIC amounted to P103.85 million. Total transaction costs comprised of deferred share issuance costs amounting to P35.66 million as at December 31, 2021 which was subsequently applied against APIC and additional share issuance costs for the year ended December 31, 2022 amounting to P68.19 million.

(d) Dividends

Details of dividends declarations and payments for the years ended December 31, 2024 and 2023 are as follows:

Date of BOD declaration	Record date	Actual payment date	Dividends per share	Amount
2024				
March 19, 2024	April 18, 2024	May 15, 2024	P0.054	353,454,516
May 13, 2024	June 13, 2024	July 9, 2024	P0.049	320,727,246
August 9, 2024	September 10, 2024	October 4, 2024	P0.049	320,727,246
November 12, 2024	December 12, 2024	January 13, 2025	P0.049	320,727,244
Total declarations during the year				1,315,636,252
2023				
March 22, 2023	April 21, 2023	May 15, 2023	P0.051	333,818,153
May 10, 2023	June 9, 2023	July 6, 2023	P0.047	307,636,338
August 9, 2023	September 11, 2023	October 4, 2023	P0.049	320,727,246
November 9, 2023	December 27, 2023	January 22, 2024	P0.049	320,727,246
Total declarations during the year				1,282,908,983
2022				
March 9, 2022	March 28, 2022	March 31, 2022	P0.035	229,090,890
May 11, 2022	June 8, 2022	June 24, 2022	P0.044	287,999,976
July 20, 2022	August 19, 2022	September 14, 2022	P0.044	287,999,976
November 9, 2022	December 9, 2022	January 5, 2023	P0.044	287,999,976
Total declarations during the year				1,093,090,818

The Company has adopted a dividend policy in accordance with the provisions of the REIT law, pursuant to which the Company's shareholders are entitled to receive at least 90% of annual distributable income for the current year. For the period ended December 31, 2024, the Company distributed total dividends amounting to P1.32 billion (2023 - P1.30 billion; 2022 - P1.20 billion) representing 105% (2023 - 106%; 2022 - 107%) of the distributable income.

Distributable income under the IRR of REIT Act of 2009

Under the Revised Implementing Rules and Regulations (IRR) of REIT Act of 2009, section 4c, the Company shall present a computation of its distributable dividend taking into consideration requirements under the provisions of the Act and the Rule. Distributable income is not a measure of performance under PFRS Accounting Standards.

Details of distributable income for the years ended December 31 are as follows:

	2024	2023	2022
Net income	1,429,371,755	1,398,096,376	1,252,413,024
Unrealized gains - Straight-line lease adjustments	(181,869,331)	(172,560,117)	(132,179,057)
Distributable income	1,247,502,424	1,225,536,259	1,120,233,967

Details of percentage of dividends to distributable income for the period ended December 31, 2024 are as follows:

Declaration date	Record date	Payment date	Dividends per share	Amount
May 13, 2024	June 13, 2024	July 9, 2024	P0.049	320,727,246
August 9, 2024	September 10, 2024	October 4, 2024	P0.049	320,727,246
November 12, 2024	December 12, 2024	January 13, 2025*	P0.049	320,727,246
March 25, 2025	April 24, 2025	May 21, 2025*	P0.055	359,999,970
Total amount of dividends distributed				1,322,181,708
Distributable income				1,247,502,424
% of dividends to distributable income				106%

Details of percentage of dividends to distributable income for the period ended December 31, 2023 are as follows:

Declaration date	Record date	Payment date	Dividends per share	Amount
May 10, 2023	June 9, 2023	July 6, 2023	P0.047	307,636,338
August 9, 2023	September 11, 2023	October 4, 2023	P0.049	320,727,246
November 9, 2023	December 27, 2023	January 22, 2024*	P0.049	320,727,246
March 19, 2024	April 18, 2024	May 15, 2024*	P0.054	353,454,516
Total amount of dividends distributed				1,302,545,346
Distributable income				1,225,536,259
% of dividends to distributable income				106%

Details of percentage of dividends to distributable income for the period ended December 31, 2022 are as follows:

Declaration date	Record date	Payment date	Dividends per share	Amount
May 11, 2022	June 8, 2022	June 24, 2022	P0.044	287,999,976
July 20, 2022	August 19, 2022	September 14, 2022	P0.044	287,999,976
November 9, 2022	December 9, 2022	January 5, 2023	P0.044	287,999,976
March 22, 2023	April 21, 2023	May 15, 2023*	P0.044	287,999,976
March 22, 2023	April 21, 2023	May 15, 2023*	P0.007	45,818,178
Total amount of dividends distributed				1,197,818,082
Distributable income				1,120,233,967
% of Dividends to distributable income				107%

*As per Section of Revenue Regulation No 13-2011, as amended, dividends distributed by REIT from its distributable income at any time after the close but not later than the last day of the 5th month from close of the taxable year shall be considered as paid on the last day of such taxable year.

Events after the reporting period

On March 25, 2025, the BOD ratified and approved the declaration of cash dividends of P0.055 per outstanding common share or an aggregate amount of P360.00 million for the fourth quarter of 2024. The cash dividends are payable on May 21, 2025 to shareholders on record as at April 24, 2025. The management has determined that this is a non-adjusting event.

14 Revenue

(a) Sale of solar energy

On March 11, 2016, the DOE confirmed the declaration of commerciality of the Company's Clark Solar Power Project under SESC No. 2014-07-086 (Note 1). The DOE confirmation affirms the conversion of said SESC from pre-development to commercial stage.

On March 12, 2016, the Clark Solar Power Project started delivering power to the grid following its commissioning. On June 3, 2016, the Clark Solar Power Project was issued a Certificate of Endorsement (COE) for FIT Eligibility under COE-FIT No. S-2016-04-020 by the DOE. By virtue of the endorsement, the Clark Solar Power Project is qualified to avail of the FIT system, upon the issuance by the ERC of the Certificate of Compliance (COC). On November 22, 2016, the ERC issued the COC to the Company. As a result, the Company was entitled to the FIT rate per kilowatt hour of energy output for a period of 20 years from March 12, 2016.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020, which pertains to the approval of the adjustment of the FIT rate for 2016 entrants published on November 17, 2020 and shall take effect on December 2, 2020. Notwithstanding that the ERC Resolution was dated 2020, the Company has assessed that there was still uncertainty particularly absence of acceptance confirmation from TransCo on the implementation of the resolution including the approach to recover, capacity to settle or pay and the credit period as at December 31, 2020. Consequently, the said uncertainty resulted in the reversal of billings issued in November and December 2020 using the adjusted FIT rates (Note 4). During 2021, additional revenue amounting to P83.53 million was recognized related to FIT-rate adjustments for the generation from 2016 to be recovered in five years starting in December 2021 based on latest discussions with TransCo.

TransCo is the regulating body of all the FIT-rate eligible energy providers. Outstanding receivables under the FIT system due from TransCo amounted to P62.78 million as at December 31, 2024 (2023 - P80.23 million) (Note 4).

As a result of assignment of SESC of the Clark Solar Plant to its Parent Company, the sale of solar energy business has been terminated on December 25, 2021 as approved by DOE (Note 1).

(b) Leasing

Subsequent lease and sublease agreements with related parties that were accounted as operating leases resulted in the recognition of rental income for the years ended December 31 are as follows:

2024					2023					2022
Land properties	Note	Rental income	Amortization of deferred rent income	Total	Rental income	Amortization of deferred rent income	Total	Rental income	Amortization of deferred rent income	Total
Leasehold land assets										
Brgy. Talavera, Toledo City, Cebu		402,086,748	1,400,711	403,487,459	368,402,585	1,400,711	369,803,296	368,402,585	700,356	369,102,941
Brgy. Rizal, Silay City, Negros Occidental		278,546,822	1,000,311	279,547,133	293,633,817	1,000,311	294,634,128	278,546,822	500,155	279,046,977
Brgy. Dalayap, Tarlac City, Tarlac		56,422,270	182,624	56,604,894	57,824,315	182,623	58,006,938	61,672,184	91,312	61,763,496
		737,055,840	2,583,646	739,639,486	719,860,717	2,583,645	722,444,362	708,621,591	1,291,823	709,913,414
Freehold land assets										
Brgy. San Ildefonso, Bulacan		202,524,479	1,413,849	203,938,328	202,524,478	1,413,851	203,938,329	214,748,789	706,926	215,455,715
Brgy. Lumbangan, Tuy, Batangas		104,721,195	311,394	105,032,589	94,254,907	-	94,254,907	-	-	-
Bolbok Phase 2, Tuy, Batangas		92,103,689	236,113	92,339,802	84,428,382	-	84,428,382	-	-	-
Brgy. Centrala, Suralla, South Cotabato		89,079,527	623,571	89,703,098	89,079,527	623,571	89,703,098	93,526,329	311,785	93,838,114
Brgy. Luntal, Tuy, Batangas		83,786,972	262,250	84,049,222	83,786,972	-	83,786,972	-	-	-
San Manuel, Pangasinan		75,472,147	96,581	75,568,728	37,736,073	-	37,736,073	-	-	-
Bolbok Phase 1, Tuy, Batangas		74,982,728	194,303	75,177,031	68,734,167	-	68,734,167	-	-	-
Brgy. Armenia, Tarlac City, Tarlac		66,553,438	403,799	66,957,237	67,603,256	403,799	68,007,055	72,175,966	201,899	72,377,865
Arayat Phase 3, Arayat, Pampanga		63,581,705	82,380	63,664,085	58,283,230	-	58,283,230	-	-	-
Brgy. Sto. Domingo, Mexico, Pampanga (PELCO I)		8,100,443	-	8,100,443	3,375,185	-	3,375,185	-	-	-
		860,906,323	3,624,240	864,530,563	789,806,177	2,441,221	792,247,398	380,451,084	1,220,610	381,671,694
Solar plant property										
Clark Freeport Zone, Pampanga		282,393,828	1,101,388	283,495,216	282,393,828	1,101,390	283,495,218	282,393,829	550,694	282,944,523
	11	1,880,355,991	7,309,274	1,887,665,265	1,792,060,722	6,126,256	1,798,186,978	1,371,466,504	3,063,127	1,374,529,631

Rental income includes variable lease income amounting to P50.02 million for the year ended December 31, 2024 (2023 - P33.87 million; 2022 - P43.88 million).

The future minimum lease receivable under non-cancellable operating leases as at December 31 are as follows:

	2024	2023	2022
Within one year	1,671,983,187	1,648,737,558	1,266,472,480
After one year but not more than five years	5,154,582,275	8,587,846,784	6,512,101,745
More than five years	24,095,997,594	17,774,432,036	9,493,051,850
	30,922,563,056	28,011,016,378	17,271,626,075

15 Cost of services

The components of cost of services for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Depreciation and amortization	6, 19	71,336,484	71,333,401	71,332,995
Property management fee	11	24,727,052	23,784,441	14,942,644
Fund management fee	11	8,242,351	7,928,148	4,980,881
Taxes and licenses		-	-	7,165
Others		-	-	5,356
		104,305,887	103,045,990	91,269,041

16 Operating expenses

The components of operating expenses for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Outside services		7,294,216	4,265,704	2,700,754
Dues and subscriptions		1,681,886	291,177	150,000
Directors' fees	11	1,157,895	998,684	1,975,000
Taxes and licenses		625,990	676,736	1,046,461
Professional fees		605,660	483,473	2,136,872
Bank charges		34,726	34,615	500
Transportation and travel		30,979	11,565	48,490
Depreciation	6	11,292	27,100	30,433
Others		20,295	52,788	352,449
		11,462,939	6,841,842	8,440,959

Portion of outside services, taxes and licenses, and professional fees include costs incurred for the ASEAN Green Bonds offering for the years ended December 31, 2023 and 2022. There is no similar transaction for the year ended December 31, 2024.

Outside services also includes settlement of withholding taxes related to services rendered during bonds and shares offerings.

17 Other income, net; finance costs

The components of other income, net for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Interest income	3, 4	3,762,414	19,234,297	3,070,975
Foreign exchange (loss) gain, net	21	(124,633)	10,960	(113,799)
Others		-	-	420,573
		3,637,781	19,245,257	3,377,749

The components of finance costs for the years ended December 31 are as follows:

	Notes	2024	2023	2022
Interests on bonds payable	10	326,133,917	289,292,003	-
Interests on lease liabilities	19	15,597,655	16,245,032	15,693,012
Interests on security deposits	11	4,430,893	3,910,992	1,891,028
		346,162,465	309,448,027	17,584,040

18 Income taxes

As a BOI-registered enterprise (Note 1), the Company may avail the following incentives:

- Income tax holiday (ITH) for seven (7) years from date of actual commercial operation. The ITH shall be limited only to the revenues generated from the sale of electricity of the Clark Solar Power Project;
- Duty-free importation of machinery, equipment and materials including control and communication equipment, within the first ten (10) years from the issuance of the DOE Certificate of Registration; and
- Tax exemption on carbon credits.

The Company may also avail of certain incentives to be administered by appropriate government agencies subject to the rules and regulations of the respective administering government agencies.

As a REIT-registered enterprise following its listing in the main board of the PSE on February 22, 2022 (Note 1), the Company will avail the following tax incentives:

- A tax deduction for dividends paid, in addition to the allowable deductions provided for under the Tax Code, to arrive at its taxable net income. For a REIT to enjoy this tax incentive, it should maintain its status as a “public company,” observe the mandatory 90% dividend pay-out requirement of distributable income to shareholders, and submit a sworn statement that the minimum ownership requirements for the relevant years were maintained at all times.
- Exemption from the minimum corporate income tax (MCIT), as well as documentary stamp tax (DST) on the sale, barter, exchange, or other disposition of listed investor securities through the PSE, including cross or block sales with prior approval of the PSE. It is also exempted from paying the initial public offering (IPO) tax on its initial and secondary offering of its investor securities. Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act, permanently repealed the IPO tax.
- A lower creditable withholding tax rate of 1% of its receipt of income payments. It also benefits from the 50% reduction on the amount of DST due on sale or transfer of real property to a REIT, including the sale or transfer of any and all security interest, and applicable registration and annotation fees incidental to such transfers.

Income tax expense for the years ended December 31, 2024 and 2023 amounted to nil (2022 - deferred income tax expense of P8.2 million).

Deferred income taxes are determined using income tax rates in the period the temporary differences are expected to be recovered or settled. Realization of the future tax benefits related to deferred income tax assets is dependent on many factors, including the Company’s ability to generate taxable income in the future within the carry-over period of its unused tax losses. The Company is still subject to ITH for the year ended December 31, 2021. As a result of the assignment of SESC effective December 25, 2021, the incentives as a BOI-registered enterprise for the sale of solar energy segment was transferred to the Parent Company starting January 1, 2022.

In 2022, deferred income tax assets, net amounting to P8,200,316 were reassessed by the management based on the availability of future taxable income and recoverability. The assessment resulted in the derecognition of the deferred income tax assets, net as the Company transitioned to a REIT company following the listing of shares in the PSE on February 22, 2022 (Note 1). The derecognition of deferred income tax assets, net was charged to deferred income tax expense in the statements of total comprehensive income.

The Company’s accrued revenue from sale of solar energy was deemed taxable by the Company, hence, fully reported as part of taxable income.

The Company's unrecognized deferred income tax assets as at December 31 arise from the following temporary differences:

	2024	2023
NOLCO	221,124,492	166,786,288
Accrued expenses	33,620,012	33,620,012
Leases	27,900,064	24,688,078
Discount on receivables	2,623,232	5,637,899
Provision for doubtful accounts	1,944,096	1,944,096
Retirement benefit obligation	314,672	314,672
	287,526,568	232,991,045
Tax rate	25%	25%
	71,881,642	58,247,761

The details of the Company's NOLCO as at December 31 are as follows:

Year of incurrence	Year of expiration	2024	2023
2021	2026	68,674,211	68,674,211
2022	2025	37,344,180	37,344,180
2023	2026	60,767,897	60,767,897
2024	2027	54,338,204	-
		221,124,492	166,786,288
Tax rate		25%	25%
		55,281,123	41,696,572

The Company did not recognize deferred income tax assets arising from NOLCO as at December 31, 2024 and 2023 as management expects that there is no sufficient future taxable income where this deferred income tax asset would be utilized and considering the effective income tax rate of nil under the REIT law.

The reconciliation between income tax expense computed at the statutory tax rate and the actual income tax expense for the years ended December 31 as shown in the statements of total comprehensive income follows:

	2024	2023	2022
Income tax at statutory tax rate of 25%	357,342,939	349,524,094	315,153,335
Income tax effects of:			
Non-deductible expenses	1,268,565	-	134,091
Interest income subject to final tax	(41,590)	(1,202,144)	(95,812)
Movement of unrecognized deferred income tax assets	13,633,880	17,394,310	8,173,493
Amortization of bond issue costs	2,172,603	1,803,962	-
Derecognition of deferred income tax assets, net	-	-	(8,200,316)
Deductible expense recognized as APIC	-	-	(17,047,639)
Deductible expenses recognized as bond issuance costs	-	(11,834,764)	-
Movement of straight-line lease income subjected to effective zero-income tax rate	(45,467,333)	(43,140,030)	(33,044,764)
Deductible dividends payment	(328,909,064)	(312,545,428)	(273,272,704)
	-	-	(8,200,316)

19 Lease - Company as a lessee

The Company has entered into various lease contracts as follows:

- (a) The Company leases a parcel of land where the Clark Solar Power Project was constructed. The agreement was entered on September 5, 2014 and is valid for twenty-five (25) years, renewable by the lessee upon consent of the lessor. The agreement stipulates rental payments amounting to P0.29 million and US\$105 with an escalation rate of 10% starting on the fourth year of the lease and every three (3) years thereafter. Upon termination of the lease, the leased property shall revert back to the lessor. There are no restrictions placed upon the lessee by entering into the lease agreement.

Security deposits for the lease agreement amounting to P5.28 million are presented as part of other non-current assets in the statements of financial position as at December 31, 2024 and 2023 (Note 7). These deposits are refundable to the Company upon termination of the lease agreement or at the end of the lease term. The impact of discounting is deemed to be immaterial.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

- (b) During 2021, the Company entered into various lease contracts, as a lessee, with third parties as follows:

- Assignment of lease contract of a land property located in Brgy. Talavera, Toledo City, Cebu by CSCI with a third party to the Company (Note 8);
- Sublease agreement and lease contract with third parties for land properties located in Brgy. Dalayap, Tarlac City, Tarlac previously being leased by CST2 (Note 8); and
- Lease agreement with a third party for a land property in Brgy. Rizal, Silay City, Negros Occidental previously being leased by CSNO (Note 8).

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that will be held by the lessor. Leased assets may not be used as security for borrowing purposes.

Amounts recognized in the statements of financial position

Details of right-of-use asset, net for the lease agreement in (a) and movements in the account as at and for the years ended December 31 are as follows:

	Note	2024	2023
Cost			
January 1, 2023, December 31, 2023 and 2024		43,937,092	43,937,092
Accumulated amortization			
January 1		10,644,591	8,510,720
Amortization	15	2,135,478	2,133,871
December 31		12,780,069	10,644,591
Net book value		31,157,023	33,292,501

Investment properties held by the Company as a right-of-use asset related to lease agreements in (b) measured initially at its cost in accordance with PFRS 16 as at and for the years ended December 31 are as follows:

	Notes	2024	2023
Cost			
January 1, 2023, December 31, 2023 and 2024		193,407,106	193,407,106
Accumulated amortization			
January 1		20,674,782	10,573,974
Amortization	15	10,100,808	10,100,808
December 31		30,775,590	20,674,782
Net book value	8	162,631,516	172,732,324

Details of the lease liabilities as at December 31 are as follows:

	2024	2023
Current	3,267,523	5,863,776
Non-current	218,421,080	226,982,998
	221,688,603	232,846,774

Movements in lease liabilities for the years ended December 31 are as follows:

	Notes	2024	2023
January 1		232,846,774	229,608,161
Principal payments		(16,398,878)	(2,406,115)
Interest payments		(10,404,404)	(10,589,344)
Interest expense	8, 17	15,597,655	16,245,032
Translation difference		47,456	(10,960)
December 31		221,688,603	232,846,774

Translation difference is recognized as part of foreign exchange losses, net under other income, net in the statements of total comprehensive income (Note 21.1).

Amounts recognized in the statements of total comprehensive income

Amounts recognized in the statements of total comprehensive income for the years ended December 31 related to the lease agreements are as follows:

	Notes	2024	2023	2022
Amortization expense	8, 15	12,236,285	12,234,679	12,233,564
Interest expense	8, 17	15,597,655	16,245,032	15,693,012
Translation difference	21	47,456	(10,960)	113,799
		27,881,396	28,468,751	28,040,375

The total cash outflows for the years ended December 31 for the lease agreements are as follows:

	2024	2023	2022
Payment of principal portion of lease liabilities	16,398,878	2,406,115	20,109,933
Payment of interest on lease liabilities	10,404,404	10,589,344	9,951,228
	26,803,282	12,995,459	30,061,161

Discount rate

The lease payments are discounted using the Company's incremental borrowing rate ranging from 6.75% to 7.86%, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Extension and termination options

Extension and termination options are included in the lease agreement of the Company. These are used to maximize the operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable by the lessee upon consent of the lessor, hence, the extension and termination options have not been included in lease term.

20 Earnings per share (EPS)

Basic and diluted EPS for the years ended December 31 are as follows:

	2024	2023	2022
Net income	1,429,371,755	1,398,096,376	1,252,413,024
Weighted average number of common shares	6,545,454,004	6,545,454,004	6,397,090,471
Basic and diluted EPS	0.22	0.21	0.20

Weighted average number of common shares for the years ended December 31, 2024 and 2023 is calculated as follows:

	Note	Number of shares	Ratio	Weighted number of shares
Beginning		6,545,454,004	1.00	6,545,454,004
Issuance of shares	13	-	1.00	-
		6,545,454,004		6,545,454,004

Weighted average number of common shares for the year ended December 31, 2022 is calculated as follows:

	Note	Number of shares	Ratio	Weighted number of shares
Beginning		5,498,182,004	1.00	5,498,182,004
Issuance of shares	13	1,047,272,000	0.86	898,908,467
		6,545,454,004		6,397,090,471

The Company has no potential dilutive common shares for each of the three years in the period ended December 31, 2024. Therefore, basic and diluted EPS are the same.

21 Financial risk and capital management and fair value estimation

21.1 Financial risk management

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

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. CFMI handles fund manager functions of the Company (Note 11).

21.1.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, security price and foreign exchange rates, will affect the Company's total comprehensive income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. The management of these risks is discussed in the succeeding section.

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates would unfavorably affect future cash flows from financial instruments. The Company's exposure to risk for changes in market interest rates relates to cash in banks and short-term placements.

The Company has no outstanding loans payable as at December 31, 2024 and 2023.

The Company is exposed to fixed-rate interest rate risk related to its lease liabilities and bonds payable. The interest rate risk is deemed to have a diminishing impact on the Company over the term of the lease (Note 19) and bonds (Note 10).

Management believes that the related cash flow and interest rate risk on cash in banks and short-term placements is relatively low due to immaterial changes on interest rates within the duration of these financial instruments.

(b) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to U.S. Dollar. Foreign exchange risk arises when future commercial transactions, and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Among others, management monitors the timing of settlements/payments to ensure that the Company is not unfavorably exposed to fluctuations of foreign exchange rates.

The Company's foreign currency denominated monetary liability as at December 31, 2024 refers to a portion of lease liabilities amounting to US\$19,103 (2023 - US\$19,516) with Philippine Peso equivalent of P1.12 million (2023 - P1.08 million).

Details of foreign exchange losses (gains), net for the years ended December 31 are as follows:

	Note	2024	2023	2022
Unrealized losses (gains), net		47,456	(10,960)	113,799
Realized losses, net		77,177	-	-
	17	124,633	(10,960)	113,799

The Company's exposure to foreign currency risk is not significant due to the absence of material transactions and balances denominated in a currency other than the Company's functional currency.

(c) Security price

The Company's exposure to debt securities price risk arises from its bonds payable. The bonds is publicly traded in the PDEX. Management assessed that the security price risk is not applicable considering that the bonds bear a fixed interest rate.

21.1.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk arises primarily from its cash and cash equivalents, trade and other receivables, security deposits and restricted cash.

Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. The Company uses internal ratings to determine the quality of its financial assets. The Company determined that its financial assets are all considered high grade financial assets except for those that were fully provided for.

The maximum exposures to credit risk, pertaining to financial assets as at December 31 are as follows:

	Notes	2024	2023
Cash*	3	597,532,293	616,746,821
Trade and other receivables	4	603,375,128	436,425,471
Security deposits	7	5,279,310	5,279,310
Cash bond	7	36,170,854	36,170,854
		1,242,357,585	1,094,622,456

*excluding cash on hand

Credit quality of financial assets

(i) Cash and cash equivalents

Cash deposited/placed in banks are considered stable as the banks qualify as universal and commercial banks as defined by the Philippine Banking System and are approved by the BOD to minimize credit risk. The amounts deposited in these banks are disclosed in Note 3. The expected credit loss is determined to be immaterial. Cash on hand is not subject to credit risk.

(ii) Trade and other receivables

The expected credit loss related to receivable from TransCo is determined to be immaterial by management.

Trade receivables from leasing segment include receivables from related parties. The credit exposure on trade receivables from related parties is considered to be minimal as there is no history of default and collections are expected to be made based on the lease agreement. In addition, the related parties are considered to have good financial standing and are highly liquid. The expected credit loss is determined to be immaterial by management.

The credit exposure on due from related parties is considered to be minimal as there is no history of default and collections are expected to be made within 12 months. The balances of due from related parties are considered as high-grade financial assets as the related parties have good financial standing and are highly liquid. The expected credit loss is determined to be immaterial by management.

Other receivables includes refund for overpaid insurance which has been long outstanding for more than one (1) year. Full provision has been recognized for this receivable as at December 31, 2024 and 2023.

Receivable from VAT refunds as at December 31, 2024 is expected to be collectible within one (1) year from the BIR.

(iii) Security deposits and cash bond

Security deposits and cash bond include cash required from the Company in relation to its lease agreement and deposits for the land conversions, respectively. These deposits are assessed as high grade as there was no history of default and these are collectible upon termination of or at the end of the term of the agreements. The expected credit loss is determined to be immaterial by management.

21.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as these fall due. The objective of the Company is to maintain a balance between continuity of funding and flexibility through the use of credit lines available from related parties and local banks. The policy of the Company is to first exhaust lines available from related parties before local bank lines are availed. The Company also has available due from related parties which can be readily collected to settle maturing obligations.

The Company seeks to manage its liquidity risk by maintaining a balance between continuity of funding and flexibility. The Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The Company's financial liabilities grouped into relevant maturity dates are as follows:

	Notes	Payable on demand	Less than 1 year	More than 1 year
<i>December 31, 2024</i>				
Trade payables and other liabilities*	9	-	44,929,828	-
Dividends payable	9, 13	-	312,888,626	-
Lease liabilities	19	-	3,267,523	218,421,080
Interest**		-	361,437,029	670,254,346
Security deposits	11	-	-	76,880,057
Bonds payable	10	-	-	4,468,567,198
		-	722,523,006	5,434,122,681
<i>December 31, 2023</i>				
Trade payables and other liabilities*	9	-	44,474,016	-
Dividends payable	9, 13	-	312,332,383	-
Lease liabilities	19	-	5,863,776	226,982,998
Interest**		-	282,076,154	1,305,141,346
Security deposits	11	-	-	61,327,268
Bonds payable	10	-	-	4,459,876,787
		-	644,746,329	6,053,328,399

*excluding due to government agencies and deferred rent income

**expected interest on bonds payable and on lease liabilities up to maturity date

The amounts disclosed are the contractual undiscounted cash flows, except for lease liabilities, which are equivalent to their carrying balances as the impact of discounting is not significant. The Company expects to settle the above financial liabilities within their contractual maturity date.

21.2 Capital management

The Company maintains a sound capital to ensure its ability to continue as a going concern to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, pay-off existing debts, return capital to shareholders or issue new shares.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Company's business, operations and industry.

The capital structure of the Company consists of issued capital, retained earnings and remeasurement on retirement benefits. The Company monitors capital on the basis of net gearing ratio, which is calculated as total debt divided by total equity. Total debt is defined as short-term and long-term bank borrowings from third parties and bonds payable less cash and cash equivalents, while equity is total equity as shown in the statements of financial position. The Company has no outstanding short-term and long-term bank borrowings from third parties as at December 31, 2024 and 2023. The Company's borrowings as at December 31, 2024 and 2023 relates to bonds payable. The net debt reconciliation and gearing ratio as at December 31 are as follows:

	Notes	2024	2023	2022
Borrowings, January 1	10	4,459,876,787	-	-
Cash flows	10	-	4,452,660,938	-
Non-cash movement	10	8,690,411	7,215,849	-
Borrowings, December 31	10	4,468,567,198	4,459,876,787	-
Cash	3	(597,582,293)	(616,861,821)	-
Net debt		3,870,984,905	3,843,014,966	-
Total equity		4,582,979,902	4,469,244,401	-
Net gearing ratio		0.84:1	0.86:1	-

Non-cash movements during 2023 and 2024 pertains to the amortization of bond issuance cost (Note 10).

As a REIT entity, the Company is subject to externally imposed capital requirements based on the requirement of the Aggregate Leverage Limit under the REIT IRR. Per Rule 5 - Section 8 of the REIT IRR issued by the SEC, the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its deposited properties. Provided, further, that in no case shall a fund manager, borrow from the REIT any of the funds under its management. As at December 31, 2024 and 2023, the Company is compliant with the externally imposed capital requirements of REIT IRR and met the provisions of the REIT law related to the borrowing requirements to its fund manager.

21.3 Fair value estimation

The carrying values of the financial instrument components of cash, trade and other receivables, other non-current assets, trade payables and other liabilities (excluding due to government agencies), dividends payable, and lease liabilities approximate their fair values, due to the liquidity, short-term maturities and nature of such items. The fair values of other non-current assets, non-current portion of trade receivables, security deposits, non-current portion of lease liabilities and bonds payable are close to market rates.

As at December 31, 2024 and 2023, the Company does not have financial instruments that are measured using the fair value hierarchy.

22 Critical accounting estimates and assumptions and judgments

The preparation of the financial statements in conformity with PFRS Accounting Standards requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and the related notes. Estimates, assumptions and judgments 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.

The Company makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows.

22.1 Critical accounting estimates and assumptions

(a) Impairment of trade and other receivables

Provision for impairment of trade and other receivables is based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Notes 23.3 and 23.4.

In 2020, the Company provided allowance for doubtful accounts for other receivables amounting to P1.94 million. This is equivalent to the full lifetime expected credit loss using the expected credit loss model, hence, any sensitivity analysis is no longer deemed necessary. No additional allowance for doubtful accounts was made during 2024, 2023 and 2022.

The carrying values of the Company's trade and other receivables are shown in Note 4.

(b) Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear or technical and commercial obsolescence. Estimated useful lives of property, plant and equipment are based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets based on the related industry benchmark information and land lease term where the solar power plant is situated. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

The estimated useful life used for solar plant and equipment was higher than the current land lease term of the Company since based on the management's assessment, the Company can still use the solar plant and equipment beyond the current land lease term.

If the actual useful lives of these assets are prolonged or shortened by five (5) years, income before tax for the years ended December 31 would be as follows:

	Impact on income before tax Increase (Decrease)	
	2024	2023
Prolonged by 5 years	P8.67 million	P8.89 million
Shortened by 5 years	(P12.58 million)	(P13.06 million)

The range used was based on the management's assessment where potential impact to operations might occur. The carrying values of the Company's property, plant and equipment are shown in Note 6.

(c) Determining incremental borrowing rate

To determine the incremental borrowing rate, the Company uses the government bond yield, adjusted for the credit spread specific to the Company and security using the right-of-use asset. The basis of the discount rates applied by the Company are disclosed in Note 19. Any change in the rates would have direct impact to interest expense for the period and on lease liabilities. Higher discount rate will result in lower interest expense and lease liabilities and vice versa.

The Company is exposed to fixed-rate interest rate risk related to its lease liabilities. Lease liabilities are subject to amortization where each of the lease payments is treated partly as a payment of principal and partly as payment of interest. Accordingly, the interest rate risk will have a diminishing impact on the Company over the term of the lease.

22.2 Critical judgments in applying the Company's accounting policies

(a) Recoverability of non-financial assets

The Company's non-financial assets such as property, plant and equipment, investment properties, input VAT are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or value in use. Management believes that there are no indications that the carrying amount of non-financial assets may not be recoverable. Details of property, plant and equipment, investment properties and input VAT are disclosed in Notes 6, 8, and 5, respectively.

(b) Critical judgment in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (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 Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Extension options in the Company's lease agreements have not been included in the lease liabilities because the Company's lease agreements state that extension and termination should be made upon mutual agreement by both parties and considering the estimated useful lives of the solar power plants of the related parties and the assignment of the SESC with Parent Company. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(c) Income taxes and "No tax" regime

Significant judgment is required in determining income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. Further, recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The details of unrecognized deferred income taxes are shown in Note 18.

The Company reviews the carrying amounts of deferred income tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable profit will allow all or part of its deferred income tax assets to be utilized.

As a REIT entity, the Company can effectively operate under a “no tax” regime provided that it meets certain conditions (e.g. listing status, minimum required dividend payments). A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income-tax free entity. As at December 31, 2024 and 2023, the Company met the provisions of the REIT law and complies with the 90% dividend distribution requirement. The Company had determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a “no-tax” regime. Accordingly, the Company has not recognized deferred taxes as at December 31, 2024 and 2023. The Company recognized deferred income tax asset as at December 31, 2021 prior to its listing on February 22, 2022, to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Company started to avail of its tax incentive as a REIT after its listing to PSE.

(d) Distinction between investment properties and property, plant and equipment

The Company determines whether a property is to be classified as an investment property or property, plant and equipment through the following:

- Investment properties comprise land and buildings which are not occupied, substantially for use by, or in the operations of, nor for sale in the ordinary course of business of the Company, but are held primarily to earn rental income or capital appreciation; and
- Property, plant and equipment generate cash flows that are attributable not only to them but also to the other assets used in the operations of the Company.

In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by the Company.

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

(e) Effective interest rates of security deposits

The Company measures security deposits from its lessees at amortized cost using a zero-coupon yield curve as the appropriate effective interest rate. This rate is determined by estimating the yield of a security from the yields of a set of coupons bearing products through bootstrapping or interpolation with reference to the maturity date of each security deposit. Effective interest rates are reviewed by the Company periodically and updated if there have been material movements with the rates.

(f) Contingencies

The Company determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management's assessment is developed in consultation with the Company's legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable. The Company is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Company's management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Company's financial statements.

23 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

23.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The financial statements of the Company have been prepared using historical cost basis.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 22.

(a) New and amendment to existing standards and interpretations adopted by the Company

The Company has applied the following amendments for the first time for their annual reporting period commencing January 1, 2024:

- Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants - Amendments to PAS 1

Amendments made to PAS 1, "Presentation of Financial Statements" in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in PAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The adoption did not have a significant impact on the Company's financial statements as at December 31, 2024 and 2023.

- Lease liability in sale and leaseback - Amendments to PFRS 16

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in PFRS 16, "Leases" which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The adoption did not have a significant impact on the Company's financial statements as at December 31, 2024 and 2023.

- Supplier Finance Arrangements - Amendments to PAS 7 and PFRS 7

On May 25, 2023, the IASB issued amendments to PAS 7 and PFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

- The terms and conditions of SFAs.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements
- Non-cash changes in the carrying amounts of financial liabilities in (2).
- Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The adoption did not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted by the Company

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

23.2 Trade and other receivables

Trade receivables from Transco which have a 60-day credit term, lease receivables and other receivables are initially recognized and carried at transaction price and subsequently measured at amortized cost, less provision for impairment loss. The fair value of trade receivables at initial recognition is equivalent to the original invoice amount (as the effect of discounting is immaterial).

The Company applies the simplified approach in measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is charged against profit or loss in the statement of total comprehensive income.

When a receivable remains uncollectible after the Company has exerted all legal remedies, it is written-off against the allowance account for receivables. Subsequent recoveries of amounts previously written-off are credited to profit or loss in the statement of total comprehensive income.

The expected loss rates on trade receivables are based on the payment profiles of sales over a period of 12 months before the beginning of each reporting period and the corresponding historical credit losses experience within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the gross domestic product and inflation to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

Other relevant policies are disclosed in Note 23.4.

23.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial instrument in the statement of financial position, when, and only when, it becomes a party to the contractual provisions of the instrument.

Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Company did not hold financial assets under the category financial assets at FVPL and FVOCI as at December 31, 2024 and 2023.

The classification depends on the entity's business model for managing its financial assets and the contractual terms of the cash flows. The Company's financial assets measured at amortized cost comprise of cash, trade and other receivables (Note 23.2), and security deposits and cash bonds (Note 23.6) in the statement of financial position. These are included in current assets, except for those expected to be realized greater than 12 months after the reporting period which are classified as non-current assets.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, if any, is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented as other income or expense. Impairment losses, if any, are presented in the statement of total comprehensive income within operating expenses.

(b) Measurement

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method.

(c) Impairment

The Company recognizes an expected credit loss for all debt instruments not held at FVPL. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Expected credit losses are recognized in two stages. For credit exposure for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).

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 expected credit loss).

For cash and cash equivalents, other receivables, receivable from VAT refunds, security deposits and cash bond, the Company applies a general approach in calculating expected credit losses. The Company recognizes a loss allowance based on either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk on these financial assets since initial recognition. The carrying amount of the financial asset is reduced through the use of an allowance account, and the amount of the loss is charged against profit or loss in the statement of total comprehensive income. When the financial asset remains uncollectible after the Company has exerted all legal remedies, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss in the statement of total comprehensive income.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment testing of trade receivables is described in Note 23.2.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

(a) Classification

The Company classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value); and financial liabilities at amortized cost. The Company's financial liabilities are limited to financial liabilities at amortized cost.

Financial liabilities at amortized cost pertain to issued financial instruments that are not classified as fair value through profit or loss and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified as non-current liabilities.

The Company's trade payables and other liabilities (excluding due to government agencies) (Note 23.10), dividends payable (Note 23.12), security deposits (Note 23.16), lease liabilities (Note 23.16) and bonds payable and interest payables (Note 23.14) are classified under financial liabilities at amortized cost.

23.4 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use. The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfil an obligation.

The Company does not hold financial and non-financial assets and liabilities at fair value as at December 31, 2024 and 2023.

23.5 Input value-added tax

Input VAT is stated at historical cost less provision for impairment, if any. Provision for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portions of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses. Input VAT is derecognized once applied against output VAT or claimed for refund.

23.6 Prepayments and other assets

Prepayments and other assets are expenses paid in cash and recorded as assets before these are used or consumed, as the services or benefits will be received in the future. Prepayments and other assets expire and are recognized as expense either with the passage of time or through use or consumption.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Security deposits and cash bonds pertain to advances to lessor relating to rent and deposits for land conversions, respectively, which will be refunded at the end of the service periods, as determined in the contract agreements. Other relevant policies are disclosed in Note 23.3.

23.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives (in years), as follows:

Solar plant and equipment	30
Substation and transmission lines	15
Computer equipment	3
Service vehicle	5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 23.9).

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its disposal at which time the cost and related accumulated depreciation is removed from the accounts.

23.8 Investment properties

After initial recognition, investment properties are measured at cost and accounted in accordance with PAS 16, "*Property, plant and equipment*". Land is not depreciated.

Investment properties are derecognized upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal.

Investment properties acquired through equity-settled transactions are measured in reference to the fair value of investment properties, unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the investment properties received, the entity shall measure the value of the investment properties, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instrument.

Other relevant accounting policies are disclosed in Note 23.7.

23.9 Impairment of non-financial assets

Assets that have an indefinite useful life such as investment properties (related to land) not subject to amortization is evaluated annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets that have definite useful lives and are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that are previously impaired are reviewed for possible reversal of the impairment at each reporting date. Subsequent reversals are credited to other income in the statement of total comprehensive income.

23.10 Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers with average credit terms of 30 days. Trade payables and other liabilities are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities.

Trade payables and other liabilities are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest rate method.

Trade payables and other liabilities are derecognized when the obligation under the liability is discharged or cancelled, or has expired. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of total comprehensive income within other income or expense.

Due to government agencies are not considered financial liabilities but are derecognized similarly.

Other relevant accounting policies are disclosed in Note 23.3.

23.11 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance cost in the statement of total comprehensive income.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed and derecognized in the statement of financial position.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

23.12 Equity

(a) Share capital

The Company's share capital is composed of common shares at par value. The amount of proceeds from the issuance or sale of common shares representing the aggregate par value is credited to share capital.

Proceeds in excess of par value of shares issued or additional capital contribution without corresponding issuance of shares are credited to share premium.

After initial measurement, share capital and share premium, if any, are carried at historical cost and are classified as equity in the statement of financial position.

(b) Retained earnings

Retained earnings includes current and prior years' results of operations, net of transactions with shareholder and dividends declared, if any.

(c) Dividend distribution

Dividend distribution to Company's shareholder is recognized as a liability in its financial statements in the period in which the dividends are approved and declared by the BOD.

(d) Share issuance costs

Share issuance costs are incremental costs directly attributable to the issuance or subscription of new shares. Share issuance costs which might be incurred in anticipation of an issuance of shares are recorded as an asset and deferred in the statement of financial position until the shares are issued. Upon issuance of shares, the deferred costs are charged to share premium or retained earnings, if no available share premium. If the shares are not subsequently issued, the transaction costs are recognized as expense under both approaches.

23.13 Revenue and cost recognition

(i) The following is a description of principal activities from which the Company generates its revenue.

(a) Sale of solar energy

The Company recognizes revenue from contracts with customer which pertains to generation of electricity at a point in time when control of the goods or services are transferred to the customers at transaction price that reflects the consideration to which the Company expects to be settled in exchange for the services.

The Company's generation of electricity from solar power energy is assessed by management as a single performance obligation. Sale of electricity is recognized whenever the electricity generated by the Company is transmitted through the transmission line designated by the buyer for a consideration.

Revenue from sale of electricity is based on the applicable FIT rate as transaction price as approved by the ERC. Revenue from sale of electricity is recognized monthly based on the actual energy delivered.

(b) Rental income

Rental income arising from operating lease agreements on its investment properties is recognized as income on a straight-line basis over the lease term or based on a certain percentage of the earnings of the lessees plus any variable component which are measured based on the actual results of operations of the lessees, as provided under the terms of the lease contract.

Other relevant accounting policies are disclosed in Note 23.16.

(ii) Interest income

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

(iii) Costs and expenses

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

Costs and expenses in the statement of total comprehensive income are presented using the function of expense method. Costs of services are expenses incurred that are associated with the services rendered.

Operating expenses are costs attributable to administrative and other business activities of the Company.

23.14 Borrowings and borrowing costs

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of total comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan capitalized as a contra liability account and amortised over the period of the facility to which it relates.

Borrowings are derecognized in the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of total comprehensive income under finance cost.

A substantial modification of the terms of the existing borrowings or part of the borrowings is accounted for as an extinguishment of the original financial liability and a recognition of new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid (net of any fees received and discounted using the original effective interest rate), is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The resulting difference is recognized as a gain or loss under other income, net in the statement of total comprehensive income.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized as other income or expense in the statement of total comprehensive income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. In cases of breaches in loan covenants prior to the end of a reporting period, borrowings are classified as current liability, unless a sufficient waiver of the covenant is granted by the lender, such that the borrowings do not become immediately repayable.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are recognized and charged under finance cost in the statement of total comprehensive income in the year in which they are incurred.

Other relevant accounting policies are disclosed in Note 23.3.

23.15 Current and deferred income tax

Income tax expense comprises current and deferred income taxes.

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

Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are derecognized when relevant temporary differences have been realized and settled, respectively. The Company reassesses at each reporting the need to recognize previously unrecognized deferred income tax asset.

23.16 Leases

Company as a lessee

The right-of-use asset is amortized over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally amortized over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is amortized over the underlying asset's useful life.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (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 revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Right-of-use assets that meet the definition of investment property is presented in the statement of financial position as investment property. Other relevant accounting policies are disclosed in Note 23.9.

Company as a lessor

The Company determines at lease inception whether each lease is a finance lease or an operating lease.

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating lease. Operating lease payments received are recognized as an income on a straight-line basis over the lease term except for variable rent which is recognized when earned.

Deposits from lessees which include security deposits are initially measured at fair value. After initial recognition, security deposits are subsequently measured at amortized cost using effective interest rate method. The difference between the cash received and its fair value is deferred and amortized on a straight-line basis over the lease term. Amortization of deferred credits and accretion of discount are recorded in the statement of total comprehensive income under rental income and finance cost accounts, respectively.

23.17 Related party relationships and transactions

(a) Related party relationship

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

(b) Related party transaction

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

23.18 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Outstanding foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing at reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of total comprehensive income through profit or loss.

24 Summary of other accounting policies

24.1 Employee benefits

(a) Short-term benefits obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Retirement benefits

The Company has a defined benefit plan, which is unfunded and covers substantially all of its qualified employees. The defined benefit plan satisfies the minimum benefit requirements of RA No. 7641, otherwise known as the "*Retirement Pay Law*".

A defined benefit plan is a retirement plan that defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of service and compensation.

The retirement benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the retirement benefit obligation.

The retirement benefit obligation recognized in the statements of financial position is the present value of the defined benefit obligation at the end of the reporting period.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, if material, are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is charged to profit or loss.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37, *“Provisions, Contingent Liabilities and Contingent Assets”* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Liabilities related to employee benefits are derecognized once settled, cancelled or have expired.

24.2 Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Company's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

24.3 Earnings per share

Basic EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding, after considering impact of any share dividends, share splits or reverse share splits during the period. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive potential common shares.

The number of ordinary or potential ordinary shares changes as a result of a share split or reverse share split are applied retrospectively and adjust the calculation of basic and diluted EPS for all periods presented. This applies regardless of whether the change occurred during the reporting period or after the end of the period before the financial statements are authorized for issue.

24.4 Events after the reporting period

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

25 Supplementary information required by Bureau of Internal Revenue (BIR)

The following supplementary information required by Revenue Regulation (RR) No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) Output VAT

Output VAT declared and the revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT
Zero-rated VAT sales	1,257,591,544	-

Revenues presented above are based on net receipts for VAT reporting purposes while revenues in the statements of total comprehensive income are based on revenue recognition policy per Note 23.14. Gross receipts from the rental of real properties on its leasing business are subject to zero-rated VAT. The Company's lessees are registered developers of renewable energy (RE) and under the Renewable Energy Act of 2008. RE developers benefit from VAT zero-rating.

(b) Input VAT

Movements in input VAT for the year ended December 31, 2024 follow:

	Amount
January 1	175,627,184
Add: Current year's domestic purchases of services	7,881,820
Less: Input VAT refund	(125,769,210)
December 31	57,739,794

(c) Importations

The Company did not have importations during the year ended December 31, 2024.

(d) Excise tax

There were no transactions subject to excise tax for the year ended December 31, 2024.

(e) Documentary stamp tax

Documentary stamp taxes (DST) paid for the year ended December 31, 2024 amounted to P5,794 related to telegraphic transfer for certain payment. The amounts were recorded as part of taxes and licenses account under operating expenses in the statements of total comprehensive income.

(f) All other local and national taxes

	Amount
Business permits and licenses	603,196
BIR annual registration fee	500
Others	16,500
	620,196

The above local and national taxes are lodged under taxes and licenses account in cost of services and operating expenses in the statements of total comprehensive income.

(g) Withholding taxes

Withholding taxes paid and accrued for the year ended December 31, 2024 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	189,426	32,944	222,370
Expanded withholding tax	6,916,783	860,116	7,776,899
Final withholding tax	35,978,290	30,313,195	66,291,485
	43,084,499	31,206,255	74,290,754

(h) Tax assessments and cases

In 2022, the Company has received letter of authority (LOA) from the BIR for taxable year 2021. The assessment was finalized and paid on February 1, 2024 through settlement of deficiency taxes and interests amounting to P2,015,673.

In 2024, the Company has received letter of authority (LOA) from the BIR for taxable year 2022. The assessment was finalized and paid on December 20, 2024 through settlement of deficiency taxes and interests amounting to P3,016,994.

There are no other outstanding tax assessments and cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2024.

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Supplementary Schedules as Required by Rule 68 of the Securities Regulation Code
December 31, 2024 and 2023

Schedules	Description
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of the Financial Statements
D	Long Term Debt
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Share Capital
	Reconciliation of Retained Earnings Available for Dividend Declaration
	A Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates
	Schedule of Financial Soundness Indicator

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule A - Financial Assets

December 31, 2024

Name of issuing entity and association of each issue	Amount shown in the statement of financial position	Income received and accrued
Financial assets at amortized cost		
Cash in banks		
BDO Unibank, Inc.	592,227,537	161,402
Development Bank of the Philippines	3,924,812	3,191
Security Bank Corporation	1,379,944	1,767
Cash on hand	50,000	-
Total cash	597,582,293	166,360
Trade and other receivables	601,431,032	3,596,053
Security deposits and cash bond	41,450,164	-
Total financial assets	1,240,463,489	3,762,413

December 31, 2023

Name of issuing entity and association of each issue	Amount shown in the statement of financial position	Income received and accrued
Financial assets at amortized cost		
Cash in banks		
BDO Unibank, Inc.	612,565,643	727,440
Development Bank of the Philippines	3,921,621	1,910
Security Bank Corporation	259,557	2,069
Short-term placements		
BDO Unibank, Inc.	-	14,086,600
Cash on hand	115,000	-
Total cash and cash equivalents	616,861,821	14,818,019
Trade and other receivables	434,481,375	4,416,278
Security deposits and cash bond	41,450,164	-
Total financial assets	1,092,793,360	19,234,297

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal
Stockholders (Other than Related Parties)
December 31, 2024 and 2023

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of the period
Advances to directors, officers, employees*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Due from related parties	-	-	-	-	-	-	-
Total due from related parties	-	-	-	-	-	-	-

*As required by Rule 68 of the Securities Regulation Code, this schedule shall be filed with respect to each person among the directors, officers and employees from whom an aggregate indebtedness of more than P1 million or one percent (1%) of total assets, whichever is less, is owed for items arising outside the ordinary course of business. There were no advances with respect to each person among the directors, officers and employees amounting to more than P1 million outside the ordinary course of business as at December 31, 2024 and 2023.

Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements
December 31, 2024 and 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of the year
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Citicore Energy REIT Corp.

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Schedule D - Long Term Debt

December 31, 2024

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
ASEAN Green bonds maturing in five (5) years from the issue date and bear a fixed interest rate of 7.0543% per annum.	4,500,000,000	-	4,468,567,198

December 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
ASEAN Green bonds maturing in five (5) years from the issue date and bear a fixed interest rate of 7.0543% per annum.	4,500,000,000	-	4,459,876,787

Citicore Energy REIT Corp.

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Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)

December 31, 2024

Name of related party	Balance at the beginning of the year	Balance at the end of the year
Citicore Renewable Energy Corporation*	500,000,000	500,000,000

** On February 10, 2023, the Parent Company subscribed to P500.00 million of the Company's ASEAN Green Bonds with coupon rate of 7.0543% at face value.*

December 31, 2023

Name of related party	Balance at the beginning of the year	Balance at the end of the year
Citicore Renewable Energy Corporation*	N/A	500,000,000

** On February 10, 2023, the Parent Company subscribed to P500.00 million of the Company's ASEAN Green Bonds with coupon rate of 7.0543% at face value.*

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule F - Guarantees of Securities of Other Issuers

December 31, 2024 and 2023

Name of issuing entity of securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule G - Share Capital

December 31, 2024

Title of issue	Number of authorized shares	Number of issued and outstanding	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common shares	15,360,000,000	6,545,454,004	N/A	4,036,361,996	7,633,008	2,501,459,000

December 31, 2023

Title of issue	Number of authorized shares	Number of issued and outstanding	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common shares	15,360,000,000	6,545,454,004	N/A	4,036,361,996	8,273,008	2,500,819,000

Citicore Energy REIT Corp.
(A subsidiary of Citicore Renewable Energy Corporation)

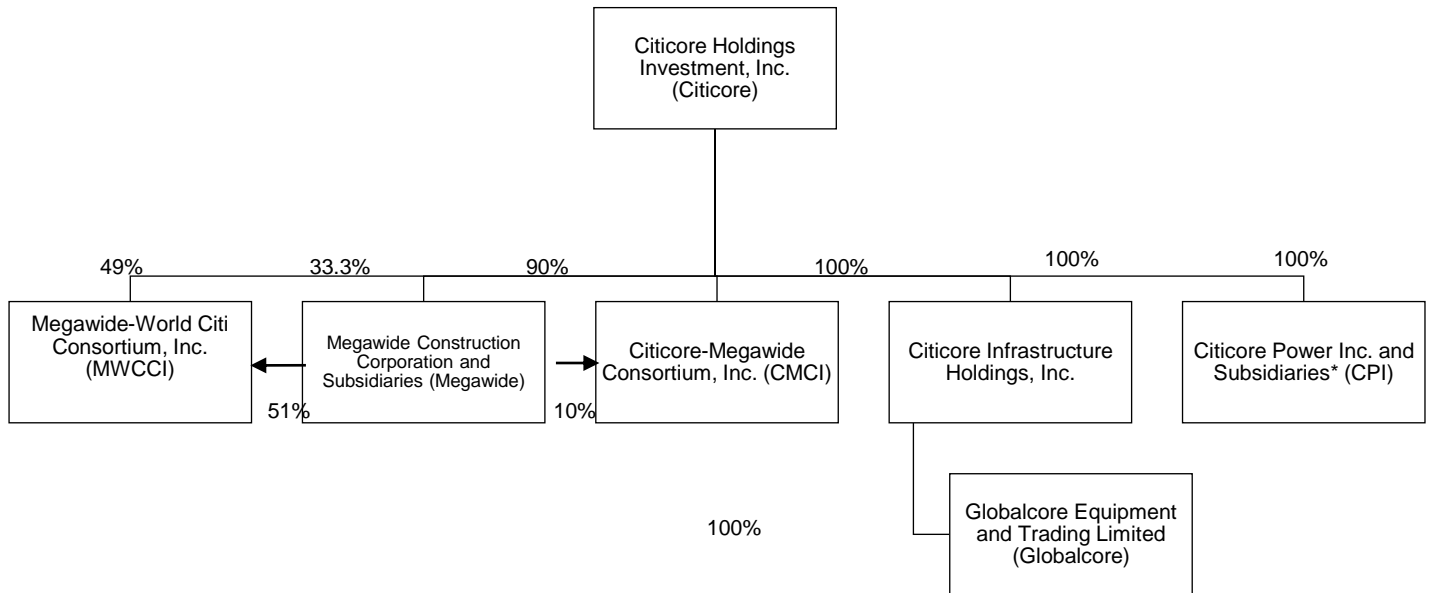
Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2024
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year		352,934,150
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others	-	
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	1,315,636,254	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(1,315,636,254)
Unappropriated Retained Earnings, as adjusted		(962,702,104)
Add/Less: Net Income for the current year		1,429,371,755
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
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 a result of certain transactions accounted for under the PFRS	-	
Straight-line recognition of lease income	(181,869,331)	(181,869,331)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (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	-	
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (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 (describe nature)	-	
Adjusted net income/loss (distributable income)		1,247,502,424
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	-
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	-	
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
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	-	
Total Retained Earnings, end of the year available for dividend declaration		284,800,320

Citicore Energy REIT Corp.

(A subsidiary of Citicore Renewable Energy Corporation)

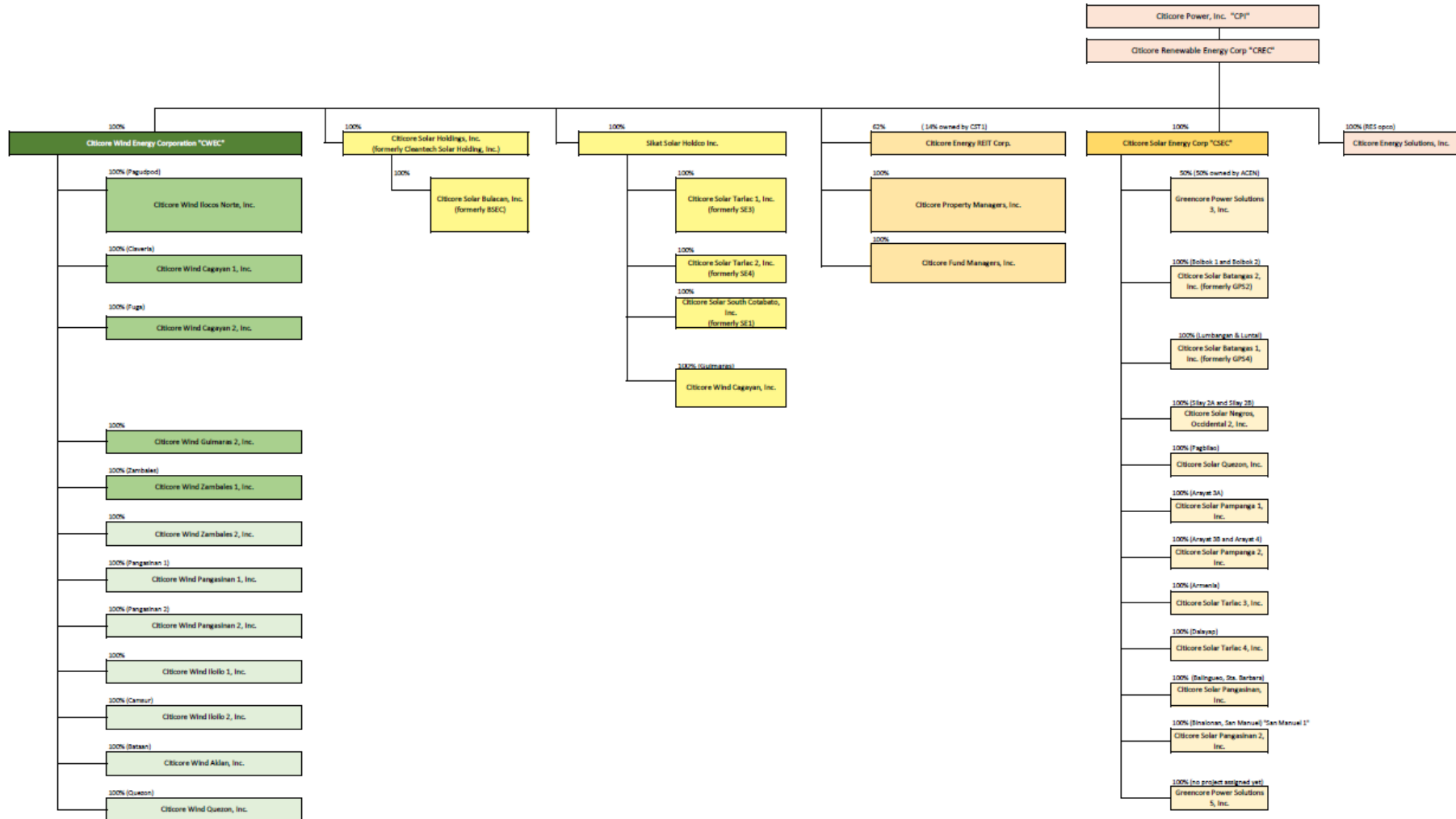
A Map Showing the Relationships between and among the Company and its
Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates
December 31, 2024



**See Schedule I*

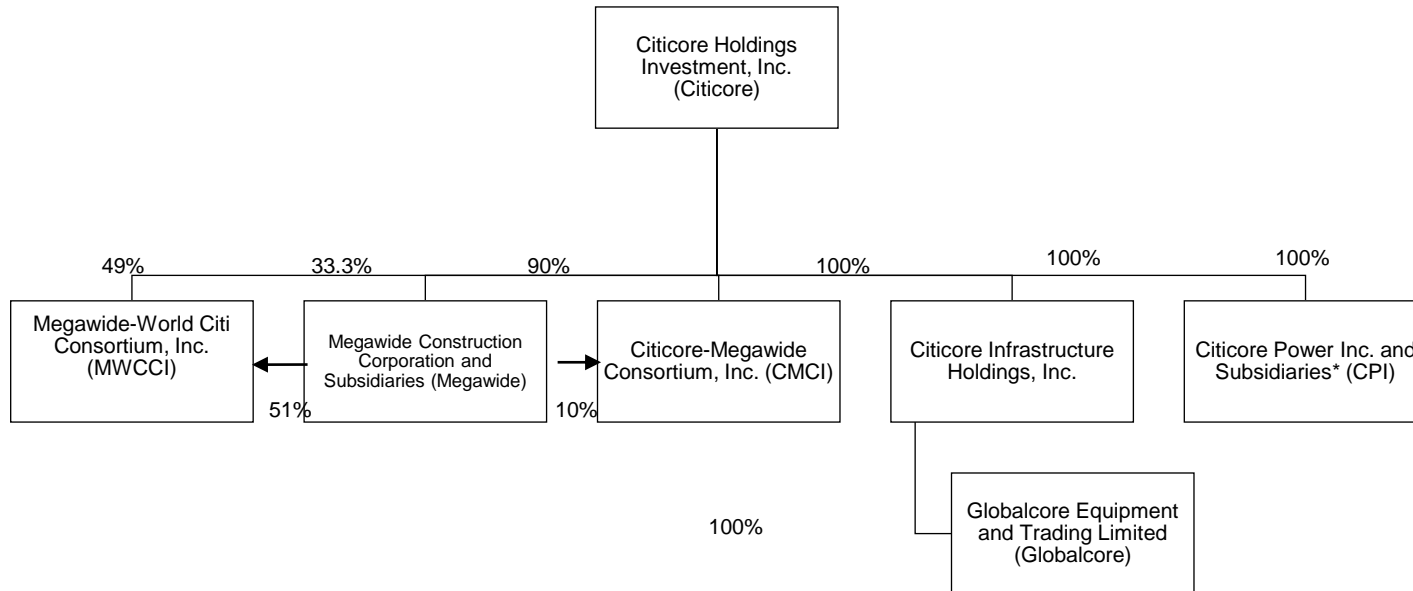
Citicore Energy REIT Corp.
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A Map Showing the Relationships between and among the Company and its
Ultimate Parent Company, Middle Parent, Subsidiaries or
Co-subsidiaries and Associates (Schedule I)
December 31, 2024



Citicore Energy REIT Corp.
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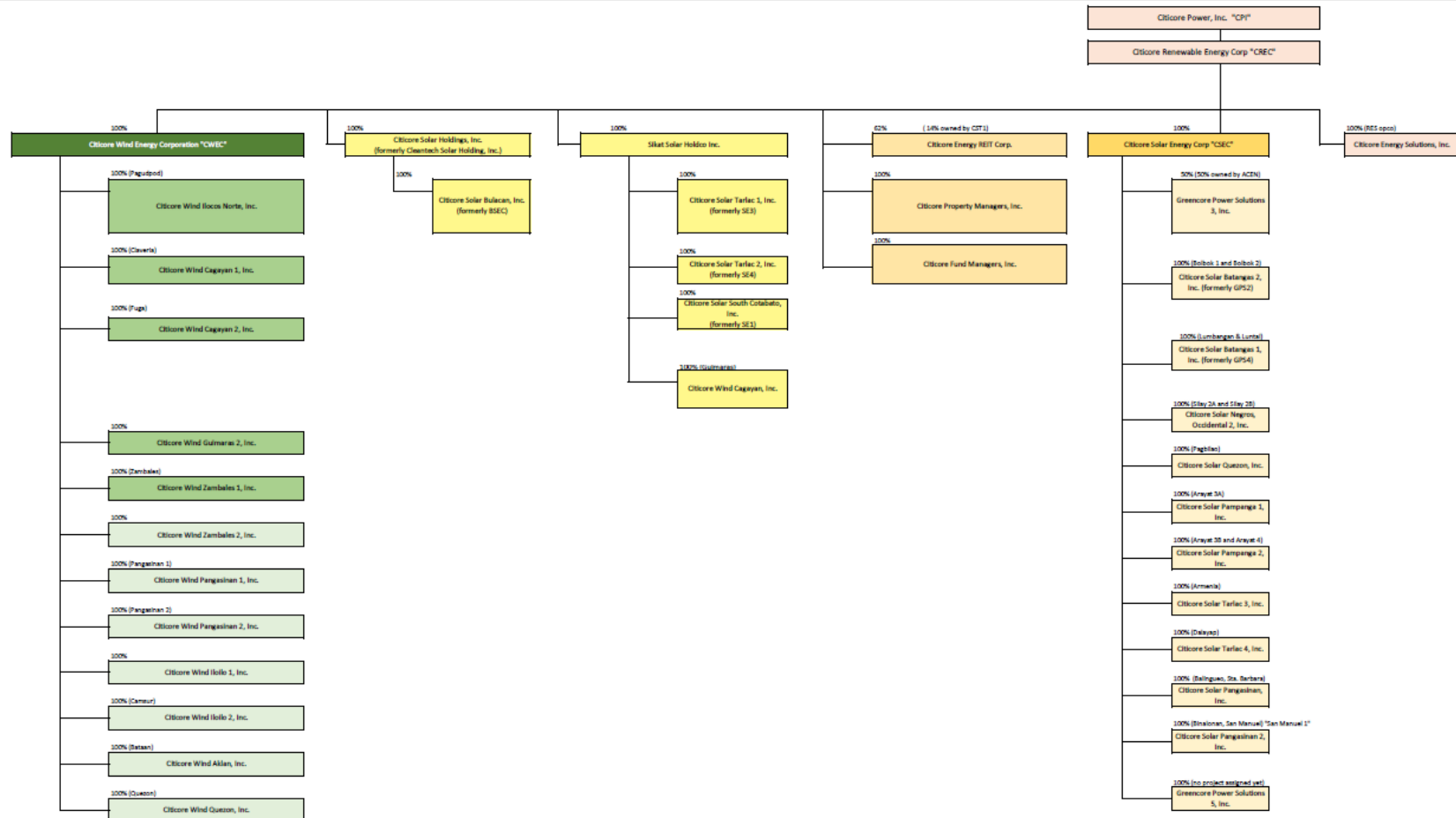
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A Map Showing the Relationships between and among the Company and its
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December 31, 2023



Citicore Energy REIT Corp.

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Schedule of Financial Soundness Indicator

As at and for each of the periods ended December 31, 2024

	2024	2023	2022
Current ratio ^a	2.10x	2.07x	1.70x
Acid test ratio ^b	1.86x	1.60x	1.61x
Solvency ratio ^c	0.34x	0.33x	-
Debt-to-equity ratio ^d	0.98x	1.00x	-
Asset-to-equity ratio ^e	2.16x	2.18x	1.17x
Interest rate coverage ratio ^f	5.33x	5.75x	76.75x
Debt service coverage ratio ^g	8.63x	7.45x	69.96x
Net debt/ EBITDA ^h	2.10x	2.16x	(0.42)x
Earnings per share (Php) ⁱ	0.22	0.21	0.20
Book value per share ^j	0.70	0.68	0.67
Return on assets ^k	14.57%	18.85%	35.68%
Return on equity ^l	31.57%	31.69%	41.87%
Net profit margin ^m	75.72%	77.75%	91.12%

^a Current assets/current liabilities^b Cash and cash equivalents + Trade and other receivables, net/Current liabilities^c Net operating profit after tax + depreciation and amortization/Loans payable^d Bonds payable/ Total equity^e Total assets/ Total equity^f Earnings before interest, taxes, depreciation and amortization/Interest expense^g Earnings before interest, taxes, depreciation and amortization plus cash and cash equivalents, beginning/Current loan payable + Interest expense + Current lease liabilities^h Short-term and long-term bank borrowings plus bonds payable less cash and cash equivalents/Earnings before interest, taxes, depreciation and amortizationⁱ Net income attributable to ordinary equity holders of the Company/Weighted average number of ordinary shares^j Total equity less Preferred Equity/Total number of shares outstanding^k Net income attributable to owners of the Company/Average total assets^l Net income attributable to owners of the Company/Average total equity^m Net income/Revenue

Citicore Energy REIT Corp.
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Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024 and 2023
(All amounts in Philippine Peso)

	December 31, 2024	December 31, 2023
Total audit fees	700,000	550,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit fees	-	-
Total audit and non-audit fees	700,000	550,000

Citicore Energy REIT Corp.
Aging of Receivables
As of December 31, 2024

	Current	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	Over 180 days	Non-current	Total
AR Transco	32,511,747	-	-	-	-	-	-	-	30,268,953	62,780,700
Lease receivable	49,584,830	-	-	-	-	-	-	-	-	49,584,830
Lease receivable - PFRS 16	-	-	-	-	-	-	-	-	489,065,502	489,065,502
Total	82,096,577	-	-	-	-	-	-	-	519,334,455	601,431,032