

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. March 13, 2025
Date of Report (Date of earliest event reported)
2. SEC Identification Number 170957 3. BIR Tax Identification No. 000-533-224
4. FILINVEST LAND, INC.
Exact name of issuer as specified in its charter
5. Philippines Province, country or other jurisdiction
of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. No. 79 EDSA, Highway Hills, Mandaluyong City, Metro Manila 1550
Address of principal office Postal Code
8. (632) 7918-8188
Issuer's telephone number, including area code
9. Not applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the
RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	22,383,759,506
Preferred	8,000,000,000

11. Indicate the item numbers reported herein: 9

Please see attached Audited Financial Statements as of and for the year ended December 31, 2024.

SIGNATURES

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

FILINVEST LAND, INC.
Issuer

Date March 13, 2025


KATRINA O. CLEMENTE-LUA
Corporate Secretary and
Corporate Information Officer

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

F	I	L	I	N	V	E	S	T	L	A	N	D	,	I	N	C	.	A	N	D	S	U	B	S	I
D	I	A	R	I	E	S																			

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

F	i	l	i	n	v	e	s	t	B	u	i	l	d	i	n	g	,	7	9	E	D	S	A	,	B	
r	g	y	.	H	i	g	h	w	a	y	H	i	l	l	s	,	M	a	n	d	a	l	u	y	o	n
g	C	i	t	y																						

Form Type

A	A	C	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	7918-8188	
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,556	Every 2nd to the last Friday of April Each Year	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Venus A. Mejia	venus.mejia@filinvestgroup.com	7918-8188	

CONTACT PERSON'S ADDRESS

79 EDSA, Brgy. Highway Hills, Mandaluyong City

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

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



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **FILINVEST LAND, INC. and SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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.

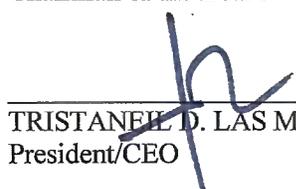
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

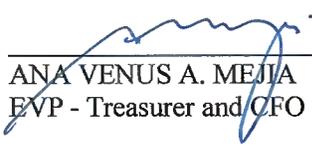
SyCip Gorres Velayo & Co., the independent auditor, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



JONATHAN T. GOTIANUN
Chairman of the Board



TRISTANEIL D. LAS MARIAS
President/CEO



ANA VENUS A. MEJIA
EVP - Treasurer and CFO

Signed this 16th day of February, 2025

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ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MGLE Compliance No. VH-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Ruada Bldg.
Brgy. Pio Del Pilar, Makati City

SUBSCRIBED AND SWORN to before me this FEB 26 2025 at Makati City, affiant exhibited to ID No. _____, of _____

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Land, Inc.
Filinvest Building, 79 EDSA,
Brgy. Highway Hills, Mandaluyong City

Opinion

We have audited the accompanying consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue.

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

Effective January 1, 2024, the Group adopted Philippine Interpretations Committee (PIC) Q&A 2018-12-D (as amended by PIC Q&A 2020-04) in assessing if the transaction price includes significant financing component. The Group applied the modified retrospective in its initial adoption.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project engineers and third-party project managers.

The disclosures related to the real estate revenue are included in Note 6 to the consolidated financial statements.

Audit Response

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold.

For the determination of the transaction price, we obtained an understanding of the Group's process in implementing PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04), including the determination of the population of contracts with customers related to real estate sale, the selection of the transition approach and election of available practical expedient. We obtained the financing component calculation of the management which includes an analysis whether the financing component of the Group's contract with customers is significant. We selected sample contracts from the sales contract database and trace these selected contracts to the calculation prepared by management. For selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion to the contract provision and projected percentage of completion schedule. We also recomputed the financing component for each sample selected.



For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC) and performed tests of the relevant controls. We inspected the certified POC reports prepared by the internal project engineers for mid-rise real estate development and third-party project managers for high-rise real estate development and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

Other Information

Management is responsible for Other Information. Other Information comprises the information included in SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit. We remain solely responsible for our audit opinion.

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



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is
Wanessa G. Salvador.

SYCIP GORRES VELAYO & CO.



Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10465379, January 2, 2025, Makati City

February 26, 2025



FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 21)	₱3,984,191	₱5,732,008
Contracts receivables (Notes 6 and 8)	2,178,282	1,837,829
Contract assets (Notes 6)	5,785,979	4,745,827
Other receivables (Notes 9)	3,563,392	3,465,056
Real estate inventories (Note 10)	69,967,114	72,634,830
Other current assets (Notes 6 and 11)	8,263,851	7,192,434
Total Current Assets	93,742,809	95,607,984
Noncurrent Assets		
Contract assets - net of current portion (Notes 6)	2,653,114	5,037,942
Investments in associates (Note 12)	5,321,210	5,219,900
Investment properties (Note 13)	85,041,035	79,659,336
Property and equipment (Note 14)	5,812,719	5,673,012
Goodwill (Note 4)	4,567,242	4,567,242
Build-transfer-operate (BTO) rights (Note 16)	6,329,162	6,387,598
Deferred income tax assets (Note 29)	96,032	48,483
Other noncurrent assets (Note 17)	3,316,328	2,274,580
Total Noncurrent Assets	113,136,842	108,868,093
TOTAL ASSETS	₱206,879,651	₱204,476,077

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and accrued expenses (Notes 18)	₱10,947,076	₱12,551,165
Contract liabilities (Note 6)	586,257	792,402
Current portion of lease liabilities (Note 15)	155,891	175,459
Due to related parties (Notes 21)	244,141	488,486
Income tax payable	71,732	21,557
Current portion of loans payable (Notes 19)	6,876,639	16,480,438
Current portion of bonds payable (Notes 20)	14,815,944	1,697,345
Total Current Liabilities	33,697,680	32,206,852

(Forward)



	December 31	
	2024	2023
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 19)	₱35,156,005	₱20,507,489
Bonds payable - net of current portion (Notes 20)	21,040,644	35,771,167
Contract liabilities - net of current portion (Note 6)	24,156	149,949
Lease liabilities - net of current portion (Note 15)	6,774,447	6,544,402
Net retirement liabilities (Note 26)	398,736	437,193
Deferred income tax liabilities - net (Note 29)	4,817,004	5,649,153
Accounts payable and accrued expenses - net of current portion (Note 18)	11,635,467	8,938,003
Total Noncurrent Liabilities	79,846,459	77,997,356
Total Liabilities	113,544,139	110,204,208
Equity		
Common stock (Note 27)	24,470,708	24,470,708
Preferred stock (Note 27)	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock (Note 27)	(2,078,084)	(221,041)
Retained earnings (Note 27)		
Unappropriated	37,302,240	57,061,525
Appropriated	24,813,773	5,000,000
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Remeasurement gains on retirement plan - net of tax (Note 26)	47,521	47,521
Share in other components of equity of associates (Note 12)	372,449	372,449
Equity attributable to equity holders of the parent	90,618,309	92,420,864
Noncontrolling interests (Notes 1 and 32)	2,717,203	1,851,005
Total Equity	93,335,512	94,271,869
TOTAL LIABILITIES AND EQUITY	₱206,879,651	₱204,476,077

See accompanying Notes to Consolidated Financial Statements.



FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2024	2023	2022
REVENUE			
Real estate sales (Note 6)	₱15,392,761	₱14,486,506	₱12,836,056
Rental and related services (Notes 6, 13, 15 and 16)	7,848,093	7,200,950	6,350,408
Total revenue	23,240,854	21,687,456	19,186,464
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 12)			
	359,036	242,007	78,956
OTHER INCOME			
Interest income (Note 24)	319,088	283,978	367,052
Others - net (Notes 21 and 25)	526,920	340,893	311,874
	24,445,898	22,554,334	19,944,346
COSTS			
Real estate sales (Note 10)	7,354,898	8,101,485	7,354,689
Rental and related services (Notes 13 and 16)	3,583,370	3,122,342	2,583,493
OPERATING EXPENSES			
General and administrative expenses (Note 22)	2,623,353	2,584,596	2,313,062
Selling and marketing expenses (Note 23)	1,558,159	1,370,135	1,150,643
INTEREST AND OTHER FINANCE CHARGES (Note 24)			
	3,685,747	2,434,393	2,294,243
	18,805,527	17,612,951	15,696,130
INCOME BEFORE INCOME TAX	5,640,371	4,941,383	4,248,216
PROVISION FOR INCOME TAX (Note 29)	1,004,635	645,339	727,079
NET INCOME	₱4,635,736	₱4,296,044	₱3,521,137
Net income attributable to:			
Equity holders of the parent	₱4,168,468	₱3,765,388	₱2,889,915
Noncontrolling interest	467,268	530,656	631,222
	₱4,635,736	₱4,296,044	₱3,521,137
Basic/Diluted Earnings Per Share (Note 28)			
	₱0.17	₱0.16	₱0.12

See accompanying Notes to Consolidated Financial Statements.



FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2024	2023	2022
NET INCOME	₱4,635,736	₱4,296,044	₱3,521,137
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss			
Remeasurement gains (loss) on retirement plan, net of tax (Notes 26 and 29)	–	(20,664)	84,354
TOTAL COMPREHENSIVE INCOME	₱4,635,736	₱4,275,380	₱3,605,491
Total comprehensive income attributable to:			
Equity holders of the parent	₱4,168,468	₱3,744,724	₱2,974,269
Noncontrolling interest	467,268	530,656	631,222
	₱4,635,736	₱4,275,380	₱3,605,491

See accompanying Notes to Consolidated Financial Statements.



FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands of Pesos)

	Attributable to Equity Holders of the Parent										Noncontrolling Interest (Note 32)	Total Equity
	Common Stock (Note 27)	Preferred Stock (Note 27)	Additional Paid-in Capital	Treasury Stock (Note 27)	Unappropriated Retained Earnings (Note 27)	Appropriated Retained Earnings (Note 27)	Revaluation Reserve on Financial Assets at FVOCI (Note 17)	Remeasurement Gains (Losses) on Retirement Plan (Note 26)	Share in Other Components of Equity of an Associate (Note 12)	Total		
For the Year Ended December 31, 2024												
Balances as at January 1, 2024, as previously stated	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱57,061,525	₱5,000,000	(₱2,619)	₱47,521	₱372,449	₱92,420,864	₱1,851,005	₱94,271,869
Effect of adoption of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) (Note 2)	–	–	–	–	(3,720,934)	–	–	–	–	(3,720,934)	–	(3,720,934)
Balances as at January 1, 2024, as restated	24,470,708	80,000	5,612,321	(221,041)	53,340,591	5,000,000	(2,619)	₱47,521	372,449	88,699,930	1,851,005	90,550,935
Net income	–	–	–	–	4,168,468	–	–	–	–	4,168,468	467,268	4,635,736
Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	4,168,468	–	–	–	–	4,168,468	467,268	4,635,736
Reversal of appropriation (Note 27)	–	–	–	–	5,000,000	(5,000,000)	–	–	–	–	–	–
Appropriation during the year (Note 27)	–	–	–	–	(24,813,773)	24,813,773	–	–	–	–	–	–
Dividends declared (Note 27)	–	–	–	–	(1,216,488)	–	–	–	–	(1,216,488)	–	(1,216,488)
Change in noncontrolling interest (Note 27)	–	–	–	(1,857,043)	823,442	–	–	–	–	(1,033,601)	1,033,601	–
Dividend distribution to noncontrolling interest (Note 32)	–	–	–	–	–	–	–	–	–	–	(634,671)	(634,671)
Balances as at December 31, 2024	₱24,470,708	₱80,000	₱5,612,321	(₱2,078,084)	₱37,302,240	₱24,813,773	(₱2,619)	₱47,521	₱372,449	₱90,618,309	₱2,717,203	₱93,335,512

	Attributable to Equity Holders of the Parent										Noncontrolling Interest (Note 32)	Total Equity
	Common Stock (Note 27)	Preferred Stock (Note 27)	Additional Paid-in Capital	Treasury Stock (Note 27)	Unappropriated Retained Earnings (Note 27)	Appropriated Retained Earnings (Note 27)	Revaluation Reserve on Financial Assets at FVOCI (Note 17)	Remeasurement Gains (Losses) on Retirement Plan (Note 26)	Share in Other Components of Equity of an Associate (Note 12)	Total		
For the Year Ended December 31, 2023												
Balances as at January 1, 2023	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱54,172,008	₱5,000,000	(₱2,619)	₱68,185	₱372,449	₱89,552,011	₱1,950,730	₱91,502,741
Net income	–	–	–	–	3,765,388	–	–	–	–	3,765,388	530,656	4,296,044
Other comprehensive loss	–	–	–	–	–	–	–	(20,664)	–	(20,664)	–	(20,664)
Total comprehensive income	–	–	–	–	3,765,388	–	–	(20,664)	–	3,744,724	530,656	4,275,380
Dividends declared (Note 27)	–	–	–	–	(875,871)	–	–	–	–	(875,871)	–	(875,871)
Change in noncontrolling interest	–	–	–	–	–	–	–	–	–	–	30,000	30,000
Dividend distribution to noncontrolling interest (Note 32)	–	–	–	–	–	–	–	–	–	–	(660,381)	(660,381)
Balances as at December 31, 2023	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱57,061,525	₱5,000,000	(₱2,619)	₱47,521	₱372,449	₱92,420,864	₱1,851,005	₱94,271,869



Attributable to Equity Holders of the Parent

	Common Stock (Note 27)	Preferred Stock (Note 27)	Additional Paid-in Capital	Treasury Stock (Note 27)	Unappropriated Retained Earnings (Note 27)	Appropriated Retained Earnings (Note 27)	Revaluation Reserve on Financial Assets at FVOCI (Note 17)	Remeasurement Gains (Losses) on Retirement Plan (Note 26)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest (Note 32)	Total Equity
For the Year Ended December 31, 2022												
Balances as at January 1, 2022	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱52,425,032	₱5,000,000	(₱2,619)	(₱16,169)	₱372,449	₱87,720,681	₱2,069,543	₱89,790,224
Net income	–	–	–	–	2,889,915	–	–	–	–	2,889,915	631,222	3,521,137
Other comprehensive income	–	–	–	–	–	–	–	84,354	–	84,354	–	84,354
Total comprehensive income	–	–	–	–	2,889,915	–	–	84,354	–	2,974,269	631,222	3,605,491
Dividends declared (Note 27)	–	–	–	–	(1,142,939)	–	–	–	–	(1,142,939)	–	(1,142,939)
Dividend distribution to noncontrolling interest (Note 32)	–	–	–	–	–	–	–	–	–	–	(750,035)	(750,035)
Balances as at December 31, 2022	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱54,172,008	₱5,000,000	(₱2,619)	₱68,185	₱372,449	₱89,552,011	₱1,950,730	₱91,502,741

See accompanying Notes to Consolidated Financial Statements.



FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱5,640,371	₱4,941,383	₱4,248,216
Adjustments for:			
Interest expense and amortization of transaction costs (Note 24)	3,598,138	2,294,148	2,272,368
Depreciation and amortization (Notes 13, 14 and 16)	2,143,097	1,593,382	1,630,038
Equity in net earnings of associates (Note 12)	(359,036)	(242,007)	(78,956)
Interest income (Note 24)	(319,088)	(283,978)	(367,052)
Pension expense, net of contribution and benefits paid (Note 26)	(38,457)	(21,667)	59,619
Operating income before changes in operating assets and liabilities	10,665,025	8,281,261	7,764,233
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	(340,453)	291,052	3,209,050
Contract assets	1,344,676	699,187	(2,152,381)
Other receivables	(98,336)	(563,050)	(191,543)
Real estate inventories	(3,645,527)	(178,552)	(1,830,758)
Other assets	(2,113,165)	(620,751)	(1,180,817)
Increase (decrease) in:			
Accounts payable and accrued expense	1,237,644	1,929,113	1,209,113
Contract liabilities	(331,938)	(353,011)	(650,234)
Cash generated from operations	6,717,926	9,485,249	6,176,663
Income taxes paid, including creditable withholding taxes	(22,487)	(576,492)	(409,321)
Interest received	319,088	283,978	367,052
Net cash provided by operating activities	7,014,527	9,192,735	6,134,394
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties and property and equipment (Notes 13 and 14)	(5,026,191)	(3,645,532)	(7,618,103)
Build-transfer-operate (BTO) rights (Note 16)	(19,947)	(865,248)	(1,396,784)
Investment in associates (Note 12)	–	–	(10,972)
Investment in bonds (Note 17)	–	–	(150,000)
Dividends received from associate (Note 12)	257,726	167,125	–
Net cash used in investing activities	(4,788,412)	(4,343,655)	(9,175,859)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING			
ACTIVITIES (Note 36)			
Proceeds from availment of:			
Loans payable (Note 19)	₱38,095,000	₱24,660,100	₱12,814,900
Bonds payable (Note 20)	–	11,430,800	11,900,000
Increase in noncontrolling interest (Notes 1 and 32)	–	30,000	–
Payments of:			
Loans payable (Note 19)	(32,910,712)	(20,528,712)	(12,160,435)
Bonds payable (Note 20)	(1,699,995)	(15,035,400)	(7,000,000)
Cash dividend (Note 27)	(1,216,488)	(875,871)	(1,140,525)
Interest and transaction costs	(5,300,228)	(4,118,521)	(3,851,408)
Lease liabilities (Note 15)	(408,907)	(372,444)	(360,103)
Dividends paid to noncontrolling interest (Note 32)	(634,671)	(660,381)	(750,035)
Increase (decrease) in amounts due to related parties	102,069	(265,778)	549,946
Net cash provided by (used in) financing activities	(3,973,932)	(5,736,207)	2,340
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,747,817)	(887,127)	(3,039,125)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,732,008	6,619,135	9,658,260
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱3,984,191	₱5,732,008	₱6,619,135

See accompanying Notes to Consolidated Financial Statements.



FILINVEST LAND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Filinvest Land, Inc. (the “Parent Company” or “FLI”) is a property developer engaged mainly in the development of residential subdivisions, construction of housing units and leasing activities. It was incorporated and is domiciled in the Philippines where its shares are publicly traded. Formerly Citation Homes, Inc., the Parent Company was incorporated on November 24, 1989 and later changed to its present name on July 12, 1993. The Parent Company and its subsidiaries (collectively referred to as “the Group”) offer a range of real estate products from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, condotels, and condominium buildings. The Group also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, Cavite, and Clark Mimosa, its major locations for leasing.

The Group’s parent company is Filinvest Development Corporation (FDC), a publicly listed entity. A.L. Gotianun, Inc. (ALG) is the Group’s ultimate parent company. FDC and ALG were incorporated in the Philippines.

The Parent Company’s registered business address is at Filinvest Building, 79 E. Delos Santos Ave. (EDSA), Brgy. Highway Hills, Mandaluyong City.

On July 14, 2023, FLI entered into a Share Purchase Agreement with Rizal Commercial Banking Corporation (RCBC) to purchase all outstanding shares of stock of Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (CRC) for a total consideration of ₱633.26 million payable over until July 5, 2028, taking over the two latter companies’ joint land development activities in Bacoor City, Cavite.

On December 28, 2022, Filinvest Alabang, Inc. (FAI) entered into a Deed of Absolute Sale of Shares to sell portion of its interest in Pro-Excel Property Managers, Inc. (Pro-Excel) to FLI for a total consideration of ₱10.97 million. The resulting ownership interest of FLI in Pro-Excel after the transfer is 47.5%. The primary purpose of Pro-Excel is to engage in the business of administration, maintenance and management of real estate development, controlled development projects and subdivision projects (Note 12).

On December 14, 2022, FLI entered into a Deed of Assignment to purchase 100% ownership in SJR Developers, Inc. (SDI). Total acquisition price amounted to ₱0.60 million. The primary purpose of SDI is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartment and other structures. The acquisition of SDI has no material effect to the consolidated financial statements.

On May 26, 2022, OurSpace Solutions, Inc. (OSI), a wholly owned subsidiary of FLI, was incorporated with primary purpose of developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. On May 22, 2023, OSI issued a resolution authorizing the issuance of additional shares out of its unissued authorized capital stock, pursuant to the provisions of the Joint Venture Agreement entered into by KMC Community, Inc. (KCI) and FLI.



On August 2, 2023, FLI subscribed to an additional 45 million common shares for a total consideration of ₱45.00 million. On the same date, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI, resulting in FLI's 70% ownership in OSI for a total consideration of ₱30.00 million. OSI has started commercial operations on November 1, 2023.

Approval of the Consolidated Financial Statements

The consolidated financial statements as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were approved and authorized for issue by the Board of Directors (BOD) on February 26, 2025.

2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The Group's consolidated financial statements are presented in Philippine Peso (₱), which is also the functional currency of the Parent Company, its subsidiaries and associates. Amounts are in thousand ₱ except as otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024. The nature of business and the corresponding percentages of ownership over these entities are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest where:

Subsidiaries	Nature of Business	2024	2023	2022
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100%	100%	100%
FCGC Corporation (FCGCC)	Real estate developer	100%	100%	100%
Filinvest BCDA Clark, Inc. (FBCI) ¹	Real estate developer	55%	55%	55%
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	100%	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	100%	100%	100%
SJR Developers, Inc. (SDI)	Real estate developer	100%	100%	100%
Niyog Property Holdings, Inc. (NPHI) ²	Real estate developer	100%	100%	—
Cajel Realty Corporation (CRC) ²	Real estate developer	100%	100%	—
Crystal Ball Realty & Management, Inc. (CBRM) ³	Real estate developer	100%	100%	100%
Cloverleaf Holdings Corporation (CHC) ³	Real estate developer	100%	100%	100%

(Forward)



Subsidiaries	Nature of Business	2024	2023	2022
Filinvest REIT Corp. (FILRT) ⁴	Leasing	51%	63%	63%
Filinvest Asia Corporation (FAC)	Leasing	60%	60%	60%
Filinvest Cyberparks, Inc. (FCI)	Leasing	100%	100%	100%
Filinvest Clark Mimosa, Inc. (FCMI)	Leasing	100%	100%	100%
Festival Supermall, Inc. (FSI)	Property management	100%	100%	100%
Filinvest Lifemalls Corporation (FLC)	Property management	100%	100%	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	100%	100%	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	100%	100%	100%
ProOffice Works Services, Inc. (ProOffice)	Property management	100%	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property management	100%	100%	100%
Co-Living Pro Managers Corp. (CPMC)	Property management	100%	100%	100%
FSM Cinemas, Inc. (FSM Cinemas) ⁵	Theater operator	60%	60%	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	60%	60%	60%
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational Sports and Natures Club	98%	98%	98%
Nature Specialists, Inc. (NSI)	Recreational Sports and Natures Club	75%	75%	75%
Leisurepro, Inc. (Leisurepro)	Marketing	100%	100%	100%
Proleads Philippines, Inc. (PPI)	Marketing	100%	100%	100%
Property Leaders International Limited (PLIL)	Marketing	100%	100%	100%
Property Maximizer Professional Corp. (Promax)	Marketing	100%	100%	100%
Realpros Philippines, Inc. (RPI)	Marketing	100%	100%	100%
FREIT Fund Managers, Inc. (FFMI)	Fund Manager	100%	100%	100%
OurSpace Solutions, Inc. (OSI) ⁶	Coworking spaces	70%	70%	100%

Notes:

1. FBCI is owned indirectly through FCGCC.
2. NPHI and CRC were acquired in 2023 (see Note 1).
3. CBRM and CHC were acquired in previous years and were accounted for as asset acquisitions and not as business combination. Acquisition cost amounted to ₱80.06 million and ₱39.59 million for CBRM and CHC, respectively.
4. FLI's ownership interest in FILRT was reduced to 51% in 2024 mainly as a result of FLI's voluntary tender offer (see Note 27).
5. FSM Cinemas is owned indirectly through FSI.
6. On August 2, 2023, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI, resulting to FLI's 70% ownership in OSI (see Note 1).

Except PLIL which was incorporated in British Virgin Islands, all of the Parent Company's subsidiaries were incorporated in the Philippines. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.



None of the foregoing subsidiaries has been a party to any bankruptcy, receivership or similar proceedings and has not undergone or entered into any material classification, merger, consolidation (except as disclosed elsewhere in this report), purchase or sale of a significant amount of assets outside the ordinary course of business.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognized the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Noncontrolling Interest

Noncontrolling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Group. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity under "Retained Earnings" of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

Business Combinations Involving Entities under Common Control

The Group elected to account for its common control business combination using acquisition method and this is applied consistently for similar transactions. However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity. Common control business combination without commercial substance is accounted using "pooling of interests" method wherein the assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination and adjustments made are only those adjustments to harmonize accounting policies. No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the periods presented and on retained earnings at the date of acquisition are eliminated to the extent possible.



New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosure: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
- Adoption of the provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the Philippine Interpretations Committee (PIC) issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC Memorandum Circular (MC) No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

Starting January 1, 2024, the Group adopted the remaining provisions of PIC Q&A 2018-12, specifically on the: (i) significant financing component, (ii) exclusion of land in the determination of percentage-of-completion (POC), and (iii) implementing the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*). The Group opted to adopt the changes using modified retrospective approach effective January 1, 2024 and the impact was recorded in the opening retained earnings. The comparative information is not restated.



The modified retrospective effects of the adoption of the above changes are detailed below:

- i. The Group's adoption of significant financing component did not result to any adjustment to the Group's beginning retained earnings and thus, has no effect on the Group's statement of financial position as at January 1, 2024.
- ii. The Group's adoption of the exclusion of land in the determination of POC did not have an impact as the Group does not consider land costs in the determination of its projects' POC.
- iii. The Group recognized the impact of the implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*) as follows:

Consolidated Statements of Financial Position as of January 1, 2024

	As previously stated	Decrease	As restated
	(In Thousands)		
Assets			
Current Assets			
Real estate inventories	₱72,634,830	(₱5,532,604)	₱67,102,226
Noncurrent Liabilities			
Deferred income tax liabilities - net	₱5,649,153	(₱1,811,670)	₱3,837,483
Equity			
Retained earnings	62,061,525	(3,720,934)	58,340,591
	₱67,710,678	(₱5,532,604)	₱62,178,074

Standards Issues but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*



Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policies

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial Instruments (*Date of recognition*)

Financial assets and liabilities are recognized in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery or assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Recognition and Measurement of Financial Instruments

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at fair value through profit or loss (FVPL).



The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest test' and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

As of December 31, 2024 and 2023, the Group's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group classified cash and cash equivalents, contracts receivables, other receivables, short-term deposits (included in other assets), and investment in bonds as financial assets at amortized cost.

Financial assets at FVOCI (equity instruments)

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in "Revaluation reserve on financial assets at FVOCI" in the consolidated statement of financial position. Where the asset is disposed of, the cumulative gain or loss previously recognized in "Revaluation reserve on financial assets at FVOCI" is not reclassified to profit or loss, but is reclassified to Retained earnings.



Included under this category are the Group's investments in quoted and unquoted shares of stocks (included in other noncurrent assets; see Note 17).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings (financial liabilities at amortized cost) is the category most relevant to the Group. Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

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

As of December 31, 2024 and 2023, loans and borrowings consist primarily of accounts payable and accrued expenses, lease liabilities, loans payable, bonds payable and due to related parties (see Notes 15, 18, 19, 20 and 21).

Impairment of Financial Assets and Contract Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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.

The Group applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for other receivables and a vintage analysis for contracts receivable and contract assets that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.



A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset is derecognized when:

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

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability expires, is discharged or cancelled.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as 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 consolidated statement of income.

Real Estate Inventories

Lots, Condominium and Residential Units for Sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land acquisition costs and expenses directly related to acquisition
- Amounts paid to contractors for development and construction
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

In case of sales cancellation, the Group can repossess the properties and hold it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are accounted for as inventories and recognized at its fair value less cost to repossess at the time of cancellation. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventory recognized in consolidated statement of income on disposal is determined with reference to the specific costs incurred on the property sold, including an allocation of any non-specific costs based on the relative size of the property sold.



Land and Land Development

Land and land development consists of properties with ongoing development that are intended for real estate projects for sale and are carried at the lower of cost or NRV. The cost of land and land development include the following: (a) land acquisition costs, (b) costs incurred relative to acquisition and transfer of land title in the name of the Group such as transfer taxes and registration fees, (c) costs incurred on initial development of the raw land in preparation for future projects, and (d) borrowing costs. They are transferred to lots, condominium and residential units for sale under “Real estate inventories” when the project plans, development and construction estimates are completed and the necessary permits are secured.

Investments in Associates

The Group’s investment in associates is accounted for under the equity method of accounting. Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group’s share of net assets of the associates. The consolidated statement of income reflects the share of the results of operations of the associates. The Group recognizes its share of the losses of the associate until its share of losses equals or exceeds its interest in the associate, at which point the Group discontinues recognizing its share of further losses.

Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

The reporting dates of the associates and the Group are identical and the associates’ accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value and recognize the amount in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Investment Properties

Investment properties consist of commercial mall, land and other properties that are held for long term rental yields and capital appreciation and land held with undetermined future use. Investment properties also include right-of-use assets involving real properties that are subleased to other entities. Investment properties, except for land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost less accumulated impairment losses, if any. Initial cost of investment properties consists of cash paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction and directly attributable costs of bringing the investment properties to its intended location and working condition, including borrowing costs.



Constructions-in-progress are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete.

For those right-of-use assets that qualify as investment properties, i.e., those land that are subleased by the Group, these are classified under investment properties. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at cost less amortization and impairment in value.

Investment properties built on rented properties are depreciated over their estimated useful lives or lease term, whichever is shorter.

Depreciation of investment properties is computed using the straight-line method over the estimated useful lives (EUL) of these assets as follows:

	Years
Buildings and improvement	20-50
Machinery and equipment	5-15

The EUL and the depreciation method is reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefit from items of investment properties.

Investment properties also include prepaid commission representing incremental costs that are directly attributable to negotiating and arranging a lease. These are initially recognized at cost and are amortized over the related lease term.

Investment property is derecognized when it is either disposed of or permanently withdrawn from use and there is no future economic benefit expected from its disposal or retirement. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and accumulated impairment losses, if any. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use including borrowing cost.

Construction-in-progress, is stated at cost. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and ready for operational use.



Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on the straight-line basis over the EUL of the assets, as follows:

	Years
Buildings	20-50
Machinery and equipment	5-20
Transportation equipment	5
Furniture and fixtures	3-5

Leasehold improvements are amortized over the estimated useful lives of the improvements or the lease term, whichever is shorter.

The useful life and the depreciation and amortization method are reviewed periodically to ensure that the period and the method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When an item of property and equipment is derecognized, the cost of the related accumulated depreciation and amortization and accumulated impairment losses, if any, is removed from the account. Any gain or loss arising from derecognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

Intangible Assets

Intangible assets include goodwill and BTO rights (including the related right-of-use asset). Intangible assets acquired separately are measured on initial recognition at costs. The cost of intangible assets acquired in a business combination or contracted arrangements is their fair value at the date of acquisition. Following initial recognition, intangible assets, excluding goodwill, are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives (i.e., BTO rights) are amortized over the economic useful life (i.e., 25 years) and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income.

Intangible assets with indefinite useful lives (i.e., goodwill) are not amortized, but are tested for impairment annually or more frequently, either individually or at the cash generating unit level.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.



Other Assets

Other current and noncurrent assets are carried at cost. These pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable and payable from the taxation authority is included as part of “Other assets” and “Accounts payable and accrued expenses”, respectively, in the consolidated statement of financial position.

Impairment of Nonfinancial Assets

The carrying values of investments in associates, property and equipment, investment properties, and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of income.

For nonfinancial assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually or more frequent if events or changes of circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating unit) is less than their carrying amount of cash-generating unit (or group of cash-generating unit) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment



losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Revenue Recognition

Revenue from Contracts with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The Group recognize the difference between the consideration received from the customer and the transferred goods to the customer as contract assets in the consolidated statement of financial position.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of real estate projects under pre-completion stage are recognized over time during the construction period (or POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Starting January 1, 2024, in determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the project accomplishment reports prepared by the third party project managers for high-rise real estate developments and internal project engineers for mid-rise real estate development. The project technical head integrates, reviews and approves the surveys of performance to date of the construction activities of subcontractors.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables is included in the "contract assets" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation, the difference between the fair value of the repossessed property less cost to repossess and the outstanding receivable and related accounts at the time of cancellation is recognized in profit or loss.



Common usage service area (CUSA) charges and air conditioning dues (included as part of ‘Rental and related services’)

CUSA charges are recognized when the related services are rendered. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as agent. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Other dues

For the administration fees, electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

Theater and parking sales and snack bar sales (included as part of ‘Rental and related services’)

Revenue from theater and parking sales is recognized over time using output method when theater services are rendered. Revenue from snack bar sales is recognized at a point in time when goods are actually sold to customers.

Cost of real estate sales

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Contract Balances

Contracts receivables

A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.



Costs to obtain contract (Commission expenses)

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Selling and marketing expense" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets

Contract fulfillment assets are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to land acquisition costs.

Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within "Cost of real estate sales" and "Selling and marketing expense", respectively.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract may be impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits.



Where a contract is anticipated to make a loss, the judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Rental income

Rental income arising from investment properties are recognized in the consolidated statement of income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.

Income from forfeited reservations and collections

Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Interest income

Interest is recognized as it accrues taking into account the effective yield on the underlying asset.

Other income

Other income, including service fees, processing fees, management fees, is recognized when services are rendered and when goods are delivered.

Cost and Expense Recognition

Costs and expenses are recognized in the consolidated statement of 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. Cost and expenses are recognized in the consolidated statement of income as incurred based on the amounts paid or payable

Retirement Costs

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.



Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs.

Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. These are capitalized if directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs in the consolidated statement of financial position.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

For investment properties, interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

For "Land and land development" under real estate inventories, interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for its intended sales, including but not limited to pre-construction activities such as permitting, design, planning and actual land development activities and are not ready to be sold in its current condition.



Prior to January 1, 2024, for “Lots, condominium and residential units for sale” under real estate inventories, interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for its intended use. Subsequent to January 1, 2024, these are no longer considered as a qualifying asset and thus, the related borrowing cost are expensed as incurred.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended sale are completed. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

All other borrowing costs are expensed as incurred.

Foreign Currency-Denominated Transactions

The functional and presentation currency of the Parent Company and its subsidiaries and associate is the Philippine Peso. Transactions denominated in foreign currencies are recorded in Philippine Peso based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated to Philippine Peso at exchange rates prevailing at the reporting date. Foreign exchange differentials between rate at transaction date and rate at settlement date or reporting date of foreign currency denominated monetary assets or liabilities are credited to or charged against current operations.

Equity

Common and Preferred stock

The Group records common and preferred stock at par value and additional paid-in capital as the excess of the total contributions received over the aggregate par values of the equity shares.

The Group considers the underlying substance and economic reality of its own equity instrument and not merely its legal form in determining its proper classification. When any member of the Group purchases the Parent Company’s capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity until the shares are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects is included in consolidated equity.

Treasury stock

Own equity instruments which are reacquired, are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company’s own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid in capital when the shares were issued and to retained earnings for the remaining balance.

Retained earnings

Retained earnings represent accumulated net earnings of the Group, and any other adjustments to it as required by other standards, less dividends declared. The individual accumulated earnings of the subsidiaries and accumulated equity earnings from an associate included in the consolidated retained



earnings are available for dividend declaration when these are declared as dividends by the subsidiaries and associate as approved by their respective BOD.

The partial disposal or acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interests is liabilities in equity under "Retained Earnings" of the parent in transactions where the noncontrolling interests are acquired or sold without loss of control.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of common shares held in treasury.

Dividends on common and preferred shares are deducted from retained earnings when declared and approved by the BOD of the Parent Company. Dividends payable are recorded as liability until paid. Dividends for the year that are declared and approved after reporting date, if any, are dealt with as an event after reporting date and disclosed accordingly.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, and then such convertible preferred shares would be deemed dilutive.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Income Tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except; (a) where deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward of MCIT and unused NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognized directly in other comprehensive income is recognized in consolidated statement of comprehensive income and not in the consolidated statement of income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

Group as Lessee

Except for short-term leases and lease of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use-assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group classifies its right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned.



Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Useful life of right-of-use on land ranges from 20 to 50 years.

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of nonfinancial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects: (a) the nature of the products and services; (b) the nature of the production processes; (c) the type or class of customer for their products and services; (d) the methods used to distribute their products or provide their services; and, (e) if applicable, the nature of the regulatory environment. The Group's mall retail spaces and office leasing activities are treated as one segment. Financial information on business segments is presented in Note 5 to the consolidated financial statements.



Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards, requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Estimates 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements.

Real Estate Revenue Recognition

a. Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as purchase application form and official receipts evidencing collections from buyer, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price.

b. Collectability is also assessed by considering factors such as historical experience with customers, and pricing of the property. Management regularly evaluates the historical cancellations if it would still support its current threshold of customers' equity before commencing revenue recognition.



c. Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

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

Accounting for the acquisition of NPHI and CRC

In determining whether a transaction or an event is a business combination, the Group assessed whether the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Further, a business consists of inputs and processes applied to those inputs that have the ability to create outputs. Based on the provisions of the Share Purchase Agreement to acquire 100% shares of NPHI and CRC (see Note 1), the Parent Company assessed that the acquisition does not constitute a business. In making the judgment, the Parent Company considered that it lacks two (2) of the three (3) components required to meet the definition of a business (i.e., processes and output). While the Parent Company acquired inputs (i.e., land), FLI did not acquire any processes. As such, the transaction was accounted for as an acquisition of an asset and the entire consideration was recognized as part of land and land development costs in the consolidated statement of financial position (see Note 10).

Evaluation of impairment on nonfinancial assets

The Group reviews its investments in associates, property and equipment, investment properties, BTO rights and other assets (excluding short-term deposits) for impairment of value. This includes consideration of certain indicators of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, plans of discontinuing the real estate projects, and significant negative industry or economic trends.

If such indicators are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount.

The recoverable amount is the asset's fair value less cost of disposal, except for investments in associates, which have recoverable value determined using value-in-use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction while value-in-use is the present value of estimated future cash flows expected to arise from the investments in associates. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

As of December 31, 2024 and 2023, management assessed that there are no impairment indicators on its non-financial assets that would lead to recognition of impairment losses.



Adoption of a 'no tax' regime for FILRT

As a Real Estate Investment Trust (REIT) entity, Filinvest REIT Corp. (FILRT) can choose to operate within one of two tax regimes (i.e., a 'full tax' regime or a 'no tax' regime). The REIT entity 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 of December 31, 2024 and 2023, FILRT met the provisions of the REIT law and complies with the 90% dividend distribution requirement. FILRT has 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. FILRT did not recognize any deferred taxes in 2024 and 2023.

Contingencies

In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The assessment of probability and estimate of the probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Group currently does not believe these proceedings will have material or adverse effect on the Group's financial position and results of operations (see Note 33).

Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date 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 below.

Revenue recognition and measure of progress for real estate sales

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of physical completion of real estate project.

For the years ended December 31, 2024, 2023 and 2022, real estate sales amounted to ₱15.39 billion, ₱14.49 billion, and ₱12.84 billion, respectively (see Note 6).

Determining transaction price of sale of real estate

The Group determines whether a contract contains a significant financing component by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfer the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate. The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for the good or service will be one year or less. The Group assessed that the significant financing component is not significant in determining the transaction price on sale of real estate.

Evaluation of impairment of contract receivables and contract assets

The Group uses the vintage analysis to calculate ECLs for contracts receivables and contract assets. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, market segment and collateral type).



The vintage analysis (the model) is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

The information about the ECLs on the Group's contract receivables and contract assets is disclosed in Note 8.

The carrying values of contract receivables and contract assets are as follows:

	2024	2023
	(In Thousands)	
Contracts receivables (Note 8)	₱2,178,282	₱1,837,829
Contract assets (Note 6)	8,439,093	9,783,769

Estimating NRV of real estate inventories

The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling prices of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

As of December 31, 2024 and 2023, the carrying amount of real estate inventories amounted to ₱69.97 billion and ₱72.63 billion, respectively (see Note 10). No impairment losses were recognized since the costs are lower than NRV for the years ended December 31, 2024, 2023 and 2022.

Evaluation of impairment on goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill on acquisition of FILRT, FAC and Festival Supermall structure is based on value-in-use calculation that uses a discounted cash flow model. The cash flows are derived from budget period of five (5) years and do not include restructuring activities that the Group is not yet committed to nor significant future investments that will enhance the asset base of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as revenue growth rates, gross margins and terminal growth rates used. The pre-tax discount rates used were 9.4% to 11% and 9.6% to 11.0% in 2024 and 2023, respectively. The growth rates used beyond the forecast period for different cash-generating units were 3.5% to 4.0% and 3.0% to 3.8% in 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Group has determined that its goodwill is not impaired. The carrying value of goodwill amounted to ₱4.57 billion as of December 31, 2024 and 2023 (see Note 4).



Recognition of deferred income tax assets

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

The Group's recognized deferred tax assets amounted to ₱2.07 billion and ₱1.88 billion as of December 31, 2024 and 2023, respectively (see Note 29).

4. Goodwill

Goodwill arising from business combinations in the Group's consolidated statements of financial position as of December 31, 2024 and 2023 consists of (amounts in thousands):

Festival Supermall structure	₱3,745,945
FAC	494,744
FILRT	326,553
	<hr/>
	₱4,567,242

In September 2006, the Group entered into a series of transactions pursuant to which it acquired: (1) 60% ownership interest in FAC from FDC; (2) 60% ownership interest in FILRT from FAI; and, (3) Festival Supermall structure from FAI. In exchange for acquiring these assets, the Group issued a total of 5.64 billion common shares to FDC and FAI and assumed ₱2.50 billion outstanding debts of FDC and FAI. The business combinations resulted in the recognition of goodwill amounting to ₱4.24 billion, which comprises the fair value of expected synergies arising from the acquisitions.

Subsequently in February 2010, the Parent Company acquired the remaining 40% interests in FILRT from Africa-Israel Properties (Phils.), Inc. to obtain full control of the then joint venture. The acquisition resulted in FILRT becoming wholly-owned subsidiary of the Parent Company. The acquisition of the joint venture partner's interests was accounted for as business combination and resulted in recognition of goodwill amounting to ₱326.55 million.

As of December 31, 2024 and 2023, the recoverable value of the cash generating units to which the goodwill pertains is in excess of the carrying value of the cash generating units, thus, no impairment has been recognized.

5. Segment Reporting

For management purposes, the Group is organized into the following business units:

Real Estate

This involves the acquisition of land, planning and development of large-scale, fully integrated residential communities, as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings.



Leasing

This involves the operations of Festival Supermall, Fora Tagaytay, Main Square and Il Corso, including its management and theater operations, and the leasing of commercial and office spaces in Makati City, Muntinlupa City, Pasay City, Bacoor City, Tagaytay City, Cebu City and Clark. This also includes the hotel operations of TSNC and NSI and the operations of PDDC of a district cooling system within existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, Muntinlupa City.

Management monitors the operating results of each of its business units for purposes of resource allocation and performance assessment. Performance of each segment is evaluated based on their profit and loss or net income.

The chief operating decision-maker of the Group is the Executive Committee. The committee reviews internal reports to assess performance and allocate resources. Based on the reports, it is also able to determine both the operating and non-operating segments. Reporting by geographical segments does not apply as the Group currently operates in the Philippines only. The Group's revenues are earned in the Philippines.

Transfer prices between segments are based on rates agreed upon by the parties and have terms equivalent to transactions entered into with third parties.

For the years ended December 31, 2024, 2023, and 2022, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS Accounting Standards, except for the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).

The information about the financial position and results of operations of these business segments as of and for the years ended December 31 are summarized below (amounts in thousands).

	2024				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue					
External	P15,392,761	P7,848,093	P23,240,854	P-	P23,240,854
Inter-segment	229,632	-	229,632	(229,632)	-
	15,622,393	7,848,093	23,470,486	(229,632)	23,240,854
Equity in net earnings of associates	359,036	-	359,036	-	359,036
Other income	3,263,910	1,103,623	4,367,533	(3,521,525)	846,008
	P19,245,339	P8,951,716	P28,197,055	(P3,751,157)	P24,445,898
Net income	P5,437,301	P1,330,564	P6,767,865	(P2,132,129)	P4,635,736
EBITDA	P8,426,129	P4,847,174	P13,273,303	(P1,804,088)	P11,469,215
Segment assets	P100,016,795	P117,217,097	P217,233,892	(P10,354,241)	P206,879,651
Less net deferred tax assets	-	96,032	96,032	-	96,032
Net segment assets	P100,016,795	P117,121,065	P217,137,860	(P10,354,241)	P206,783,619
Segment liabilities	P56,063,647	P57,818,979	P113,882,626	(P338,487)	P113,544,139
Less net deferred tax liabilities	5,030,726	9,874	5,040,600	(223,596)	4,817,004
Net segment liabilities	P51,032,921	P57,809,105	P108,842,026	(P114,891)	P108,727,135
Cash flows provided by (used in):					
Operating activities	P3,062,854	P3,843,080	P6,905,934	P108,593	P7,014,527
Investing activities	(908,013)	(3,880,399)	(4,788,412)	-	(4,788,412)
Financing activities	(3,490,116)	(1,018,279)	(4,508,395)	534,463	(3,973,932)



	2023				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue					
External	P14,486,506	P7,200,950	P21,687,456	P-	P21,687,456
Inter-segment	40,039	-	40,039	(40,039)	-
	14,526,545	7,200,950	21,727,495	(40,039)	21,687,456
Equity in net earnings of associates	242,007	-	242,007	-	242,007
Other income	2,001,632	964,869	2,966,501	(2,341,630)	624,871
	P16,770,184	P8,165,819	P24,936,003	(P2,381,669)	P22,554,334
Net income	P3,603,769	P1,742,686	P5,346,455	(P1,050,411)	P4,296,044
EBITDA	P5,401,034	P4,797,774	P10,198,808	(P1,229,650)	P8,969,158
Segment assets	P110,882,971	P104,057,871	P214,940,842	(P10,464,765)	P204,476,077
Less net deferred tax assets	-	48,483	48,483	-	48,483
Net segment assets	P110,882,971	P104,009,388	P214,892,359	(P10,464,765)	P204,427,594
Segment liabilities	P63,140,179	P47,438,064	P110,578,243	(P374,035)	P110,204,208
Less net deferred tax liabilities	5,802,647	56,068	5,858,715	(209,562)	5,649,153
Net segment liabilities	P57,337,532	P47,381,996	P104,719,528	(P164,473)	P104,555,055
Cash flows provided by (used in):					
Operating activities	P5,368,606	P3,979,320	P9,347,926	(P155,191)	P9,192,735
Investing activities	(616,726)	(3,726,929)	(4,343,655)	-	(4,343,655)
Financing activities	(4,306,123)	(2,071,602)	(6,377,725)	641,518	(5,736,207)
	2022				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue					
External	P12,836,056	P6,350,408	P19,186,464	P-	P19,186,464
Inter-segment	340,942	-	340,942	(340,942)	-
	13,176,998	6,350,408	19,527,406	(340,942)	19,186,464
Equity in net earnings of associates	78,956	-	78,956	-	78,956
Other income	1,854,110	1,099,670	2,953,780	(2,274,854)	678,926
	P15,110,064	P7,450,078	P22,560,142	(P2,615,796)	P19,944,346
Net income	P3,522,460	P1,588,870	P5,111,330	(P1,590,193)	P3,521,137
EBITDA	P5,024,557	P4,466,521	P9,491,078	(P1,318,581)	P8,172,497
Segment assets	P113,610,862	P98,669,097	P212,279,959	(P12,164,780)	P200,115,179
Less net deferred tax assets	-	91,383	91,383	-	91,383
Net segment assets	P113,610,862	P98,577,714	P212,188,576	(P12,164,780)	P200,023,796
Segment liabilities	P69,622,905	P44,627,867	P114,250,772	(P5,638,334)	P108,612,438
Less net deferred tax liabilities	5,547,080	19,612	5,566,692	58,518	5,625,210
Net segment liabilities	P64,075,825	P44,608,255	P108,684,080	(P5,696,852)	P102,987,228
Cash flows provided by (used in):					
Operating activities	(P1,051,285)	P4,070,795	P3,019,510	P3,114,884	P6,134,394
Investing activities	(1,369,354)	(3,836,569)	(5,205,923)	(3,969,936)	(9,175,859)
Financing activities	(1,221,205)	962,387	(258,818)	261,158	2,340



The following table shows a reconciliation of the adjusted earnings before interest and other finance charges, income taxes, depreciation and amortization (EBITDA), after adjustments and eliminations, to income before income tax in the consolidated statement of income for the year:

	2024	2023	2022
	(In Thousands)		
EBITDA	₱11,469,215	₱8,969,158	₱8,172,497
Depreciation and amortization (Notes 13, 14 and 16)	(2,143,097)	(1,593,382)	(1,630,038)
Operating profit	9,326,118	7,375,776	6,542,459
Interest and other finance charges (Note 24)	(3,685,747)	(2,434,393)	(2,294,243)
Income before income tax	₱5,640,371	₱4,941,383	₱4,248,216

6. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Group's disaggregation of each sources of revenue is presented below:

	2024	2023	2022
	(In Thousands)		
Real estate sales by market segment			
Medium income	₱11,336,019	₱9,835,600	₱8,915,046
Low affordable and affordable	1,863,213	3,367,527	2,661,307
High-end and others	1,524,605	855,169	1,026,177
Socialized	668,924	428,210	233,526
	15,392,761	14,486,506	12,836,056
Cinema operations by type of goods or services (included as part of rental and related services)			
Theater and parking sales	248,461	214,452	163,853
Snack bar sales	15,188	14,066	8,871
	263,649	228,518	172,724
Tenant dues			
Office leasing (Note 21)	1,176,240	1,149,383	1,158,229
Mall and other leasing operations	415,697	379,197	344,514
	1,591,937	1,528,580	1,502,743
Total revenue from contracts with customers	17,248,347	16,243,604	14,511,523
Rental revenues			
Office leasing (Note 21)	3,633,481	3,511,044	3,425,457
Mall operations	1,856,071	1,605,302	1,161,326
Others	502,955	327,506	88,158
	5,992,507	5,443,852	4,674,941
Total Revenue	₱23,240,854	₱21,687,456	₱19,186,464

The Group's real estate sales and theater sales are revenue from contracts with customers which are recognized over time while revenue from snack bar sales is recognized at a point in time.

Others from rental revenues includes rent from co-living units, industrial park, co-working spaces and hospitality business operations.



As of December 31, 2024, contract balances are as follows:

	Current	Noncurrent	Total
	(In Thousands)		
Contracts receivable	₱2,178,282	₱—	₱2,178,282
Contract assets	5,785,979	2,653,114	8,439,093
Contract liabilities	586,257	24,156	610,413

As of December 31, 2023, contract balances are as follows:

	Current	Noncurrent	Total
	(In Thousands)		
Contracts receivable	₱1,837,829	₱—	₱1,837,829
Contract assets	4,745,827	5,037,942	9,783,769
Contract liabilities	792,402	149,949	942,351

Real estate sales contracts are collectible in equal monthly principal installments in varying periods of two (2) to ten 10 years. Interest rates per annum range from 11.5% to 19.0%. Titles to the residential units sold transferred to customers upon full payment of the contract price.

Contract assets represent the right to consideration for assets already delivered by the Group in excess of the amount recognized as contracts receivable. Contract assets is reclassified to contracts receivable when monthly amortization of customer is due for collection.

In 2024 and 2023, the Parent Company entered into an Agreement for Purchase of Contract Assets with local banks. The banks agreed to buy the contract assets on a without recourse basis, and the Parent Company agreed to sell, assign, transfer and convey to the bank all its rights, titles, and interest in and to the contract assets. In 2024 and 2023, total proceeds from these transactions equivalent to the carrying value of the contract assets sold amounted to ₱11.69 billion and ₱5.43 billion, respectively.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred based on percentage of completion. The movement in contract liability arise mainly from revenue recognition of completed performance obligations. The amount of revenue recognized in 2024 and 2023 from amounts included in contract liabilities at the beginning of the year amounted to ₱450.27 million and ₱767.44 million, respectively.

Performance Obligation

Information about the Group's performance obligations are summarized below:

Real estate sales

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of a real estate unit may cover either (a) a lot; (b) house and lot or (c) condominium unit. There is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.



Payment commences upon signing of the purchase application form and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include downpayment of 20% to 30% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 10 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results in either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered house and lot and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2024 and 2023 amounted to ₱3.05 billion and ₱2.91 billion, respectively. Performance obligation for the transaction price amounting to ₱2.78 billion and ₱2.45 billion will be satisfied within one year as of December 31, 2024 and 2023, respectively.

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's mid-rise condominium units and high-rise condominium units are completed within three (3) and five (5) years, respectively, from start of construction while house and lots are expected to be completed within 12 months.

Rental agreements

The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space; (b) provisioning of water and electricity; (c) provision of air conditioning and CUSA services presented as tenant dues; and, (d) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within seven (7) to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3% to 36% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

Cost to Obtain Contracts and Contract Fulfillment Assets

The rollforward of the cost to obtain contract included in the other current assets is as follows:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱367,514	₱473,852
Additions	734,410	632,296
Amortization (Note 23)	(811,308)	(738,634)
Balance at end of year (Note 11)	₱290,616	₱367,514

Amortization of cost to obtain contract is recognized in the consolidated statements of comprehensive income under selling and marketing expenses.



For the years ended December 31, 2024 and 2023, additions of contract fulfillment assets amounted to ₱732.07 million and ₱648.65 million, respectively (see Note 10). Amortization of contract fulfillment costs amounted to ₱1.00 billion and ₱1.07 billion for the years ended December 31, 2024 and 2023, respectively. Contract fulfillment assets is included as part of real estate inventories.

The Group reviews its major contracts to identify indicators of impairment of contract fulfillment assets by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

In determining estimated amount of consideration, the Group uses the same principles in determining contract transaction price.

It is the Group's accounting policy, as set out in Note 2, that if a contract or specific performance obligation has exhibited marginal profitability or other indicators of impairment, judgement is applied to ascertain whether the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

7. Cash and Cash Equivalents

This account consists of:

	2024	2023
	(In Thousands)	
Cash	₱3,011,408	₱4,604,987
Cash equivalents	972,783	1,127,021
	₱3,984,191	₱5,732,008

Cash includes cash on hand and in banks. Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and are subject to an insignificant risk of change in value.

Interest income earned on the Group's cash and cash equivalents amounted to ₱98.70 million, ₱80.39 million and ₱71.20 million in 2024, 2023 and 2022, respectively (see Note 24).

There is no restriction on the Group's cash and cash equivalents as at December 31, 2024 and 2023.



8. Contracts Receivables

This account consists of:

	2024	2023
	(In Thousands)	
Contracts receivable	₱1,932,985	₱1,582,486
Receivables from government and financial institutions	245,297	255,343
	₱2,178,282	₱1,837,829

Real estate sales contracts are collectible over varying periods within 2 to 10 years. The receivables arising from real estate sales are collateralized by the corresponding real estate properties sold. The Group records any excess of progress work over the right to an amount of consideration that is unconditional (i.e., contracts receivable) as contract assets (see Note 6).

Receivables from government and financial institutions pertain to government and bank-financed real estate sales. Receivables from government and financial institutions are collectible within one (1) year.

Interest income recognized on contracts receivable amounted to ₱199.50 million, ₱174.03 million and ₱276.49 million in 2024, 2023 and 2022, respectively (see Note 24). Interest rates per annum on contracts receivable range from 11.5% to 19.0% for these years.

The Group has a mortgage insurance contract with Philippine Guarantee Corporation (PhilGuarantee), a government insurance company for a retail guaranty line. As of December 31, 2024 and 2023, the contracts (comprise of both contract receivables and contract assets) covered by the guaranty line amounted to ₱193.57 million and ₱361.45 million, respectively. As of December 31, 2024 and 2023, the remaining unutilized guaranty line amounted to ₱1.37 billion.

As of December 31, 2024 and 2023, no impairment losses were recognized from contracts receivables.

9. Other Receivables

This account consists of:

	2024	2023
	(In Thousands)	
Receivables from tenants	₱2,302,942	₱2,038,850
Due from related parties (Note 21)	434,428	695,344
Advances to officers and employees	418,147	422,954
Receivables from homeowners' associations (HOAs)	174,596	227,671
Others	292,037	139,383
	3,622,150	3,524,202
Less: Allowance for ECLs	58,758	59,146
	₱3,563,392	₱3,465,056

“Receivables from tenants” represent charges to tenants for rentals and utilities normally collectible within 15-20 days from billing date.



“Advances to officers and employees” represent advances for project costs, marketing activities, travel and other expenses arising from the ordinary course of business which are liquidated upon the accomplishment of the purposes for which the advances were granted.

“Receivables from homeowners’ associations” represent claims from the homeowners’ association of the Group’s projects for the payment of the expenses on behalf of the association.

“Others” represent advances for selling, marketing, and administrative expenses of international sales offices, arising from the ordinary course of business which are liquidated upon the accomplishment of the purposes for which the advances were granted.

Set out below is the movement of the allowance for ECLs of other receivables:

	2024		
	Receivables from tenants	Receivables from HOAs	Total
	(In Thousands)		
Balance at beginning of year	₱43,282	₱15,864	₱59,146
Reversal of ECLs	(388)	–	(388)
Balance at end of year	₱42,894	₱15,864	₱58,758

	2023		
	Receivables from tenants	Receivables from HOAs	Total
	(In Thousands)		
Balance at beginning of year	₱34,803	₱15,864	₱50,667
Provision for ECLs	8,479	–	8,479
Balance at end of year	₱43,282	₱15,864	₱59,146

10. Real Estate Inventories

This account consists of:

	2024	2023
	(In Thousands)	
Real estate inventories – at cost		
Lots, condominium and residential units for sale	₱43,991,685	₱45,642,483
Land and land development	25,975,429	26,992,347
	₱69,967,114	₱72,634,830

A summary of the movement in lots, condominium and residential units for sale is set out below:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱45,642,483	₱44,623,160
Effect of adoption of IFRIC Agenda Decision on PAS 23 (Note 2)	(5,532,604)	–
Balance as at January 1, as adjusted	40,109,879	44,623,160

(Forward)



	2024	2023
	(In Thousands)	
Construction/development costs incurred	₱10,461,681	₱7,319,735
Transferred from land and land development (Note 6)	732,071	648,649
Transfer from investment properties (Note 13)	42,952	–
Capitalized borrowing costs	–	699,846
Additions thru asset acquisition (Notes 1 and 3)	–	452,578
Cost of real estate sales	(7,354,898)	(8,101,485)
Balance at end of year	₱43,991,685	₱45,642,483

Capitalization rate for the capitalized borrowing costs is nil, 5.15% and 4.70% in 2024, 2023 and 2022, respectively.

A summary of the movement in land and land development is set out below:

	2024	2023
	(In Thousands)	
Balance at beginning of year	₱26,992,347	₱26,703,327
Site development and incidental costs	1,300,203	886,558
Land acquisitions (Notes 1 and 3)	4,745	51,111
Transferred to lots, condominium and residential units for sale	(732,071)	(648,649)
Transfer to investment properties (Note 13)	(1,589,795)	–
Balance at end of year	₱25,975,429	₱26,992,347

Borrowing costs capitalized as part of land and land development, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱766.21 million, ₱620.18 million and ₱430.55 million for the years ended December 31, 2024, 2023 and 2022, respectively. Capitalization rate is 5.47%, 5.15% and 4.7% in 2024, 2023 and 2022, respectively.

11. Other Current Assets

This account consists of:

	2024	2023
	(In Thousands)	
Input taxes -net	₱3,921,006	₱3,842,624
Creditable withholding taxes	2,136,391	1,231,664
Prepaid expenses	829,717	807,382
Advances to contractors and suppliers	454,622	445,383
Construction materials and supplies	451,749	401,535
Cost to obtain contract (Note 6)	290,616	367,514
Short-term deposits	179,750	96,332
Balance at end of year	₱8,263,851	₱7,192,434

“Input taxes” pertains to VAT passed on from purchases of goods or services which is applied against output VAT.



“Creditable withholding taxes” are the taxes withheld by the withholding agents from payments to the sellers which is creditable against the income tax payable.

“Prepaid expenses” consist of prepayments for commissions on leases, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance.

“Advances to contractors and suppliers” pertain to down payments made by the Group which are applied against future billings for development and construction contracts of real estate inventories.

“Construction materials and supplies” pertain to inventories to be used in the construction and maintenance of projects.

“Cost to obtain contract” includes accrued commissions net of amount paid to brokers relating to the sale of real estate inventories which qualify for revenue recognition.

12. Investments in Associates

This account consists of:

	2024	2023
	(In Thousands)	
At equity:		
Acquisition cost		
Balance at beginning of year	₱1,028,841	₱1,018,841
ProActive Professionals Corp. (ProActive)	–	10,000
Balance at end of year	1,028,841	1,028,841
Accumulated equity in net earnings:		
Balance at beginning of year	1,808,158	1,733,276
Equity in net earnings for the year	359,036	242,007
Dividend declaration	(257,726)	(167,125)
Balance at end of year	1,909,468	1,808,158
Share in revaluation increment on land at deemed cost	2,010,452	2,010,452
Share in other components of equity	372,449	372,449
	₱5,321,210	₱5,219,900

The carrying value of the Group’s investments in associates as of December 31 follows:

	2024	2023
	(In Thousands)	
FAI	₱4,969,569	₱4,908,516
Dreambuilders Pro, Inc. (DPI)	94,294	93,119
Filinvest Mimosa, Inc. (FMI)	84,228	81,629
SharePro, Inc. (SPI)	59,418	31,040
Corporate Technologies, Inc. (CTI)	53,958	52,190
Pro-Excel	49,743	43,406
ProActive	10,000	10,000
	₱5,321,210	₱5,219,900



FAI

The Parent Company has a 20% interest in FAI which is involved primarily in the development of commercial buildings, residential condominiums and land. FAI is also involved in leasing of commercial real estate and marketing.

Dividends declared by FAI and the corresponding share of the Group for the year ended December 31, 2024 amounted to ₱1,253.00 million and ₱250.60 million, respectively, and for the year ended December 31, 2023 amounted to ₱800.00 million and ₱160.00 million, respectively.

Summarized financial information and reconciliation of investment in FAI is as follows:

	2024	2023
	(In Thousands)	
Current assets	₱16,185,757	₱15,185,721
Noncurrent assets	24,288,735	22,398,234
Total assets	40,474,492	37,583,955
Current liabilities	2,685,551	2,327,477
Noncurrent liabilities	9,636,696	7,233,433
Total liabilities	12,322,247	9,560,910
Equity	₱28,152,245	₱28,023,045
Proportion of the Group's ownership	20%	20%
Equity in net assets of associate	₱5,630,449	₱5,604,609
Less upstream sales	660,880	696,093
Carrying amount of the investment	₱4,969,569	₱4,908,516
Revenue and other income	₱4,724,114	₱3,633,405
Cost and other expenses	(2,253,671)	(1,933,204)
Depreciation	(217,601)	(218,825)
Interest expense	(96,278)	(67,134)
Interest income	24,019	17,592
Income before tax	2,180,583	1,431,834
Income tax expense	622,308	363,482
Net income for the year	₱1,558,275	₱1,068,352
Group's equity in net earnings of associate	₱311,655	₱213,670

Share in net earnings of FAI amounted to ₱72.70 million for the year ended December 31, 2022.

DPI

In 2020, the Parent Company's 45% interest in DPI was classified as investments in associate. Share in net earnings (losses) of DPI amounted to ₱1.17 million, (₱2.38 million) and (₱3.39 million) for the years ended December 31, 2024, 2023 and 2022, respectively.

FMI

In 2016, FMI was incorporated to enter into an agreement with Clark Development Corporation (CDC) for the lease of the Mimosa Leisure Estate. The Parent Company subscribed for 47.5% of FMI's capital stock amounting to ₱37.83 million. Share in net earnings of FMI amounted to ₱2.60 million, ₱1.28 million and ₱5.77 million for the years ended December 31, 2024, 2023 and 2022, respectively.



SPI

SPI was incorporated and operating in the Philippines and handles the technical and project management services for the Group. In December 2021, the Parent Company subscribed for 45.0% of SPI's capital stock amounting to ₱11.25 million. Share in net earnings of SPI amounted to ₱28.38 million, ₱16.99 million and ₱2.81 million for the years ended December 31, 2024, 2023 and 2022, respectively.

CTI

In 2019, the 30% interest in CTI of the Parent Company was classified as investments in associate. CTI is primarily involved in information technology service management. Share in net earnings (losses) of CTI amounted ₱1.77 million, ₱1.97 million and (₱2.94 million) for the years ended December 31, 2024, 2023 and 2022, respectively.

Pro-Excel

On December 28, 2022, FAI entered into a Deed of Absolute Sale of Shares to sell portion of its interest in Pro-Excel to FLI for a total consideration of ₱10.97 million. The resulting ownership interest of FLI in Pro-Excel after the transfer is 47.5%. Share in net earnings of Pro-Excel amounted to ₱13.46 million, ₱10.49 million and ₱4.01 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Dividends declared by Pro-Excel and the corresponding share of the Group amounted to ₱15.00 million and ₱7.13 million for both years ended December 31, 2024 and 2023.

ProActive

ProActive was incorporated to provide business process outsourcing services for the Group. On August 9, 2023, the Parent Company subscribed to 40.0% of ProActive's capital stock amounting to ₱10.00 million. ProActive has not started commercial operations as of December 31, 2024.

Aggregate financial information on the associates with immaterial interest (FMI, CTI, Pro-Excel, DPI, SPI and ProActive) follows:

	2024	2023
	(In Thousands)	
Carrying amount of investments	₱351,641	₱311,384
Share in net income/total comprehensive income	47,381	28,337

The Group does not restrict profit distribution of its associates. The associates have no contingent liabilities outside of the ordinary course of business or capital commitments as at December 31, 2024 and 2023.



13. Investment Properties

The rollforward analysis of this account as of December 31 follows:

	2024					Total
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets (Note 15)	
(In Thousands)						
Cost						
Balances at beginning of year	₱16,575,680	₱32,104,793	₱407,782	₱35,545,897	₱5,376,136	₱90,010,288
Additions	287,535	1,356,651	42,171	3,749,956	–	5,436,313
Transfers (Note 10)	1,589,795	(82,995)	–	–	–	1,506,800
Balances at end of year	18,453,010	33,378,449	449,953	39,295,853	5,376,136	96,953,401
Accumulated Depreciation						
Balances at beginning of year	–	9,199,751	396,712	–	754,489	10,350,952
Depreciation (Note 22)	–	1,431,050	18,111	–	152,296	1,601,457
Transfers (Note 10)	–	(40,043)	–	–	–	(40,043)
Balances at end of year	–	10,590,758	414,823	–	906,785	11,912,366
Net Book Value	₱18,453,010	₱22,787,691	₱35,130	₱39,295,853	₱4,469,351	₱85,041,035
2023						
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets (Note 15)	Total
(In Thousands)						
Cost						
Balances at beginning of year	₱16,533,276	₱29,538,271	₱382,015	₱34,327,269	₱5,376,136	₱86,156,967
Additions	42,404	2,566,522	25,767	1,218,628	–	3,853,321
Balances at end of year	16,575,680	32,104,793	407,782	35,545,897	5,376,136	90,010,288
Accumulated Depreciation						
Balances at beginning of year	–	8,150,458	377,477	–	607,636	9,135,571
Depreciation (Note 22)	–	1,049,293	19,235	–	146,853	1,215,381
Balances at end of year	–	9,199,751	396,712	–	754,489	10,350,952
Net Book Value	₱16,575,680	₱22,905,042	₱11,070	₱35,545,897	₱4,621,647	₱79,659,336

The additions to buildings and improvements are mainly due to improvements made for office and commercial buildings to be leased out.

Construction in progress pertain to buildings under construction to be leased as retail and office spaces upon completion.

Borrowing costs capitalized as part of investment properties amounted to ₱1.43 billion, ₱944.83 million and ₱812.02 million in 2024, 2023 and 2022, respectively. Capitalization rates used are 4.27% to 6.64%, 4.33% to 6.68% and 3.6% to 6.12% in 2024, 2023 and 2022, respectively.

The aggregate fair value of the Group's investment properties amounted to ₱215.34 billion and ₱214.64 billion as of December 31, 2024 and 2023, respectively, based on third party appraisals performed for certain assets by an SEC accredited independent appraiser and management appraisal updated using current and year-end values and assumptions. The fair value of buildings was determined using the income approach based on discounted cash flow analysis. The fair value of land was determined using the income approach based on discounted cash flow analysis.

Under the income approach, all expected cash flow from the use of the assets were projected and discounted using the appropriate discount rate reflective of the market expectations. The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertains to lease income growth rate and discount rate. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement while a change in the assumption used for the



lease income growth rate is accompanied by a directionally similar change in the fair value of the Group's investment properties.

The Group has no restrictions on the realizability of its investment properties.

Revenue from rental and related services from investment properties amounted to ₱7.38 billion, ₱6.75 billion and ₱6.06 billion in 2024, 2023 and 2022, respectively (see Note 6). Cost of rental and related services arising from investment properties is as follows:

	2024	2023	2022
	(In Thousands)		
Mall operations	₱2,141,178	₱1,822,415	₱1,410,754
Depreciation	1,282,590	1,201,601	993,133
Others	18,914	27,721	6,477
	₱3,442,682	₱3,051,737	₱2,410,364

“Others” pertain to cost of ticket sales and snack bar sales.

The Group classifies the depreciation of fit out cost and machinery and equipment related to the common area and air-conditioning as part of the maintenance and air-conditioning dues that are collected from the tenants. In 2024, 2023 and 2022, depreciation expense recognized as part of “Rental and related services” revenue amounted to ₱166.57 million, ₱179.20 million and ₱13.42 million, respectively.

14. Property and Equipment

The rollforward analysis of this account as of December 31 follows:

	2024						
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
	(In Thousands)						
Cost							
Balances at beginning of year	₱3,699,958	₱3,340,297	₱223,602	₱190,607	₱322,297	₱277,210	₱8,053,971
Additions	54,830	394,541	15,708	47,595	13,861	11,659	538,194
Balances at end of year	3,754,788	3,734,838	239,310	238,202	336,158	288,869	8,592,165
Accumulated Depreciation and Amortization							
Balances at beginning of year	797,291	1,106,310	170,430	149,062	157,866	-	2,380,959
Depreciation and amortization (Note 22)	98,036	227,524	16,185	42,860	13,882	-	398,487
Balances at end of year	895,327	1,333,834	186,615	191,922	171,748	-	2,779,446
Net Book Value	₱2,859,461	₱2,401,004	₱52,695	₱46,280	₱164,410	₱288,869	₱5,812,719
	2023						
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
	(In Thousands)						
Cost							
Balances at beginning of year	₱3,613,237	₱3,166,765	₱185,075	₱166,739	₱213,023	₱220,898	₱7,565,737
Additions	86,721	173,532	38,527	23,868	109,274	56,312	488,234
Balances at end of year	3,699,958	3,340,297	223,602	190,607	322,297	277,210	8,053,971
Accumulated Depreciation and Amortization							
Balances at beginning of year	699,238	966,089	155,299	123,207	136,625	-	2,080,458
Depreciation and amortization (Note 22)	98,053	140,221	15,131	25,855	21,241	-	300,501
Balances at end of year	797,291	1,106,310	170,430	149,062	157,866	-	2,380,959
Net Book Value	₱2,902,667	₱2,233,987	₱53,172	₱41,545	₱164,431	₱277,210	₱5,673,012



There are no property and equipment items pledged to secure the obligations of the Group as of December 31, 2024 and 2023.

15. Leases

Group as lessee

The Group has lease contracts on land where the buildings are situated. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has entered into land lease arrangements with lease terms ranging from 25 and 50 years. Several leases include extension option to lease the assets for additional 25 years based on mutual agreement of the parties.

The rollforward analysis of right-of-use assets on land as of December 31 follows:

	2024		Total
	Investment Properties (Note 13)	BTO Rights (Note 16)	
	(In Thousands)		
Cost			
Balances at beginning and end of year	₱5,376,136	₱112,424	₱5,488,560
Accumulated Depreciation			
Balances at beginning of year	754,489	21,037	775,526
Depreciation (Note 22)	152,296	2,465	154,761
Balances at end of year	906,785	23,502	930,287
Net Book Value	₱4,469,351	₱88,922	₱4,558,273
	2023		
	Investment Properties (Note 13)	BTO Rights (Note 16)	Total
	(In Thousands)		
Cost			
Balances at beginning and end of year	₱5,376,136	₱112,424	₱5,488,560
Accumulated Depreciation			
Balances at beginning of year	607,636	14,142	621,778
Depreciation (Note 22)	146,853	6,895	153,748
Balances at end of year	754,489	21,037	775,526
Net Book Value	₱4,621,647	₱91,387	₱4,713,034

The rollforward analysis of lease liabilities as of December 31 follows:

	2024	2023
	(In Thousands)	
Balances at beginning of year	₱6,719,861	₱6,508,490
Interest expense (gross of related capitalized borrowing costs)	619,384	583,815
Payments	(408,907)	(372,444)
Balances at end of year	6,930,338	6,719,861
Lease liabilities - current portion	155,891	175,459
Lease liabilities - net of current portion	₱6,774,447	₱6,544,402



The Group also has certain lease of land with variable rental payments and lease of office space considered as ‘low-value assets’. The Group applies the lease of ‘low-value assets’ recognition exemptions for these leases.

The following are the amounts recognized in the consolidated statement of income for the years ended December 31:

	2024	2023	2022
	(In Thousands)		
Interest and other finance charges on lease liabilities (Note 24)	₱520,667	₱487,174	₱425,148
General and administrative expenses (Note 22)			
Depreciation expense of right-of-use assets	154,761	153,748	158,424
Variable lease payments and expenses relating to leases of low-value assets (Note 22)	16,019	10,464	19,837
	₱691,447	₱651,386	₱603,409

Interest expense capitalized as part of investment properties and BTO Rights amounted to ₱98.72 million, ₱96.64 million and ₱95.43 million in 2024, 2023 and 2022, respectively.

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
	(In Thousands)	
1 year	₱478,337	₱456,582
more than 1 years to 2 years	496,959	478,337
more than 2 years to 3 years	520,292	496,959
more than 3 years to 4 years	540,138	520,292
more than 5 years	27,210,871	27,756,008

Group as lessor

Future minimum rental receivables under renewable operating leases as of December 31 are as follows:

	2024	2023
	(In Thousands)	
Within one year	₱4,220,818	₱4,172,360
After one year but not more than five years	10,500,606	9,252,477
After five years	5,011,914	2,165,805
	₱19,733,338	₱15,590,642

The Group entered into lease agreements with third parties covering real estate properties. These leases generally provide for either (a) fixed monthly rent (b) minimum rent or a certain percentage of gross revenue, whichever is higher. Most lease terms on commercial malls are renewable within one year, except for anchor tenants with lease ranging from five (5) to 15 years.



Rental income recognized based on a percentage of the gross revenue of mall tenants included in “Rental and related services” account in the consolidated statement of income amounted to ₱502.29 million, ₱457.26 million and ₱391.64 million in 2024, 2023 and 2022, respectively.

The Group granted rental concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱70.76 million and ₱314.84 million in 2023 and 2022, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as negative variable lease payments and reported as reduction of lease income in 2023 and 2022.

16. Build-Transfer-Operate (BTO) Rights

BTO rights pertain to the cost related to the BTO agreement with The Province of Cebu (Cebu Province) entered on March 26, 2012. The BTO project relates to the development, construction, and operation of the Business Process Outsourcing (BPO) Complex by the Group at the land properties owned by Cebu Province located at Salinas, Lahug, Cebu City.

The rollforward analysis of BTO rights is as follows:

	December 31, 2024		
	BTO Rights	Right-of-Use Assets	Total
	(In Thousands)		
Cost			
Balance at beginning of year	₱6,863,079	₱112,424	₱6,975,503
Additions	84,717	–	84,717
Balance at end of year	6,947,796	112,424	7,060,220
Accumulated Amortization			
Balance at beginning of year	566,868	21,037	587,905
Depreciation (Note 22)	140,688	2,465	143,153
Balance at end of year	707,556	23,502	731,058
Net Book Value	₱6,240,240	₱88,922	₱6,329,162

	December 31, 2023		
	BTO Rights	Right-of-Use Assets	Total
	(In Thousands)		
Cost			
Balance at beginning of year	₱5,997,831	₱112,424	₱6,110,255
Additions	865,248	–	865,248
Balance at end of year	6,863,079	112,424	6,975,503
Accumulated Amortization			
Balance at beginning of year	496,263	14,142	510,405
Depreciation	70,605	6,895	77,500
Balance at end of year	566,868	21,037	587,905
Net Book Value	₱6,296,211	₱91,387	₱6,387,598

“Right-of-use assets” pertain to the related lease payments required under land lease contracts and the BTO agreement for the land where the buildings were constructed.



Interest incurred capitalized amounted to ₱64.80 million, ₱90.71 million and ₱46.25 million in 2024, 2023 and 2022, respectively.

In 2024, 2023 and 2022, related amortization recognized as part of “Cost of rental and related services” amounted to ₱140.69 million, ₱70.61 million and ₱173.13 million, respectively. Rental income amounting to ₱466.11 million, ₱455.50 million and ₱290.56 million in 2024, 2023 and 2022, respectively, was recognized as part of “Revenue from rental and related services”.

17. Other Noncurrent Assets

This account consists of:

	2024	2023
	(In Thousands)	
Advances to contractors and suppliers (Note 11)	₱2,147,019	₱1,249,226
Advances to joint venture partners	258,718	311,157
Creditable withholding taxes - net of current portion (Note 11)	239,031	178,626
Input taxes - net of current portion	230,170	230,170
Deposits	223,616	72,057
Investment in bonds	150,000	150,000
Financial assets at FVOCI	15,535	15,535
Other assets	52,239	67,809
	₱3,316,328	₱2,274,580

“Advances to joint venture partners” are advances (e.g., property taxes and permits) which are normally applied against the share of the joint venture partners from sale of the joint venture properties reported under “Other receivables” in consolidated statements of financial position.

“Deposits” includes advances to sellers for the purchase of land prior to issuance of Contract to Sell. These also includes security deposits and rental deposits.

“Investment in bonds” consist of a 5-year, non-interest bearing, Class A Senior Notes with a face amount of ₱150.0 million issued by a third party special purpose trust fund duly registered with the Bangko Sentral ng Pilipinas invested by the Parent Company on December 19, 2022.

“Financial assets at FVOCI” consist of quoted and unquoted shares of stock (see Note 31). Unquoted investments in shares of stock include unlisted preferred shares in a public utility company which the Group will continue to carry as part of the infrastructure that it provides for its real estate development projects. The Group did not receive dividends from unquoted shares in 2024, 2023 and 2022.

“Other assets” includes utility deposits such as electric meter deposit and water meter deposit.



18. Accounts Payable and Accrued Expenses

This account consists of:

	2024			2023		
	Current	Noncurrent	Total	Current	Noncurrent	Total
	(In Thousands)					
Accounts payable	₱2,855,109	₱7,094,749	₱9,949,858	₱5,579,664	₱5,017,658	₱10,597,322
Deposits from tenants	1,976,364	1,805,810	3,782,174	1,630,033	1,645,028	3,275,061
Retention fees payable	2,264,555	889,104	3,153,659	2,082,442	499,537	2,581,979
Deposits for registration	239,726	1,731,707	1,971,433	217,825	1,573,499	1,791,324
Accrued expenses	1,964,763	–	1,964,763	1,712,947	–	1,712,947
Accrued interest on bonds and loans (Notes 19 and 20)	535,049	–	535,049	674,345	–	674,345
Other payables (Note 21)	1,111,510	114,097	1,225,607	653,909	202,281	856,190
	₱10,947,076	₱11,635,467	₱22,582,543	₱12,551,165	₱8,938,003	₱21,489,168

“Accounts payable” includes the outstanding balance of the costs of land acquired by the Group and is payable on scheduled due dates or upon completion of certain requirements (see Notes 10, 13 and 14). This account also includes dividends payable and amount payable to contractors and suppliers for the construction and development costs and operating expenses incurred by the Group.

“Deposits from tenants” are advance payments received for rentals, utilities and other fees. These are applied against rental obligations of tenants once due.

“Retention fees payable” pertains to the amount withheld from the progress billings of the contractors and is released generally one year from the completion of the construction agreement.

“Deposits for registration” pertain to amounts collected from buyers for payment of registration of real estate properties. This account is charged for costs incurred related to transfer of title to buyers.

“Accrued expenses” pertain to various operating expenses incurred by the Group in the course of business such as salaries and wages, professional fees, unbilled construction cost related to ongoing projects, and utilities expense, among others. These are noninterest-bearing and are normally settled within one year.

Accrued expenses account consists of:

	2024	2023
	(In Thousands)	
Suppliers and contractors	₱1,907,970	₱1,658,604
Professional fees	39,077	35,975
Payroll	10,908	12,917
Utilities	1,860	4,355
Other accruals	4,948	1,096
	₱1,964,763	₱1,712,947

“Other payables” pertain mainly to withholding taxes, output VAT payables and deferred income which are generally settled/earned within 12 months.



19. Loans Payable

This account consists of:

	2024	2023
	(In Thousands)	
Short term loans	₱1,200,000	₱4,440,000
Long-term loans	41,069,337	32,645,048
Developmental loans from local banks	42,269,337	37,085,048
Less unamortized transaction costs	236,693	97,121
	42,032,644	36,987,927
Less current portion of loans payable	6,876,639	16,480,438
Long-term portion of loans payable	₱35,156,005	₱20,507,489

Developmental loans from local banks will mature on various dates up to 2028. These Peso-denominated loans bear floating interest rates, which are repriced quarterly, semi-annually or annually based on either 3-month, 6-month or 1-year Bloomberg Valuation (BVAL), or Reverse Repurchase Rate (RRP), plus margin, per annum.

The Group availed additional loans amounted to ₱38.10 billion, ₱24.66 billion and ₱12.81 billion in 2024, 2023, and 2022, respectively. These include availment of short-term loans payable amounting to ₱11.52 billion, ₱16.51 billion and ₱10.33 billion in 2024, 2023 and 2022, respectively.

Principal payments made amounted to ₱32.91 billion, ₱20.53 billion and ₱12.16 billion in 2024, 2023 and 2022, respectively.

As of December 31, 2024 and 2023, short term loans payable, presented under current portion of loans payable amounted to ₱1.2 billion and ₱4.44 billion, respectively.

Interest incurred on these loans (gross of related capitalized borrowing costs) amounted to ₱3.06 billion, ₱2.20 billion and ₱1.59 billion for the years ended December 31, 2024, 2023, and 2022, respectively.

Transactions costs capitalized amounted to ₱242.36 million and ₱102.49 million in 2024 and 2023, respectively. Amortization of transaction costs amounted to ₱102.79 million, ₱109.55 million and ₱54.92 million in 2024, 2023 and 2022, respectively, and included under “Interest and other finance charges” (see Note 24).

The Group’s loans payable is unsecured and no assets are held as collateral for these debts. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.0x and minimum interest coverage ratio of 1.0x.

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock if it would materially and adversely affect the Group’s ability to perform its obligations; sale or transfer and disposal of all or a substantial part of its capital assets other than in the ordinary course of business; restrictions on use of funds other than the purpose it was approved for; and entering into any partnership, merger, consolidation or reorganization except in the ordinary course of business and except when the Group maintains controlling interest. As of December 31, 2024 and 2023, the Group has not been cited in default on any of its outstanding obligations.



20. Bonds Payable

This account consists of:

	2024	2023
	(In Thousands)	
Bonds payable	₱36,095,400	₱37,795,395
Less unamortized transaction costs	238,812	326,883
	35,856,588	37,468,512
Less current portion of bonds payable	14,815,944	1,697,345
Long-term portion of bonds payable	₱21,040,644	₱35,771,167

- a. On November 8, 2013, the Parent Company issued fixed rate bonds with aggregate principal amount of ₱7.00 billion comprised of ₱4.30 billion, 7-year bonds with interest of 4.86% per annum due in 2020 and ₱2.70 billion, 10-year bonds with interest of 5.43% per annum due in 2023. Interest for both bonds is payable quarterly in arrears starting on February 8, 2014. On November 8, 2023, the Parent Company paid the remaining balance amounting to ₱2.70 billion.

Unamortized debt issuance cost on bonds payable amounted to ₱2.16 million as of December 31, 2022 (nil as of December 31, 2023). Accretion in 2023 and 2022 included as part of 'Interest and other finance charges' amounted to ₱2.16 million and ₱2.53 million (nil as of December 31, 2024), respectively (see Note 24).

- b. On December 4, 2014, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱7.00 billion comprising of ₱5.30 billion, 7-year fixed rate bonds due in 2021 and ₱1.70 billion, 10-year fixed rate bonds due in 2024. The 7-year bonds carry a fixed rate of 5.40% per annum, while the 10-year bonds have a fixed interest rate of 5.64% per annum. The Parent Company paid the ₱1.70 billion on December 4, 2024. As of December 31, 2023, ₱1.70 billion of the related bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱2.65 million as of December 31, 2023 (nil as of December 31, 2024). Accretion in 2024, 2023 and 2022 included as part of "Interest and other finance charges" amounted to ₱2.65 million, ₱0.29 million and ₱1.53 million, respectively (see Note 24).

- c. On August 20, 2015, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.00 billion comprising of ₱7.00 billion, 7-year fixed rate bonds due in 2022 and ₱1.00 billion, 10-year fixed rate bonds due in 2025. The 7-year bonds carry a fixed rate of 5.36% per annum, while the 10-year bonds have a fixed rate of 5.71% per annum. The Parent Company paid the ₱7.0 billion bonds on August 20, 2022. As of December 31, 2024 and 2023, ₱1.0 billion of the related bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱2.76 million and ₱3.07 million as of December 31, 2024 and 2023, respectively. Accretion in 2024, 2023 and 2022 included as part of "Interest and other finance charges" amounted to ₱0.31 million, ₱0.34 million and ₱9.54 million, respectively (see Note 24).

- d. On July 7, 2017, FILRT issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱6.00 billion and term of five and a half (5.5) years due in 2023. The bonds carry a fixed rate of 5.05% per annum, payable quarterly in arrears starting on October 7, 2017. On January 9, 2023, FILRT paid the outstanding bonds payable balance amounting to ₱6.00 billion.



Accretion in 2023 and 2022 included as part of “Interest and other finance charges” amounted to ₱0.24 million, and ₱12.71 million respectively (nil in 2024) (see Note 24).

- e. On November 18, 2020, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.10 billion comprising of ₱6.34 billion, 3-year fixed rate bonds due in 2023 and ₱1.76 billion, 5.5-year fixed rate bonds due in 2026. The 3-year bonds carry a fixed rate of 3.34% per annum, while the 5.5-year bonds have a fixed rate of 4.18% per annum. On November 18, 2023, the Parent Company paid ₱6.30 billion of the outstanding bonds payable. As of December 31, 2024 and 2023, ₱1.76 billion of the related bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱6.08 million and ₱7.44 million as of December 31, 2024 and 2023, respectively. Accretion in 2024, 2023 and 2022 included as part of “Interest and other finance charges” amounted to ₱1.36 million, ₱17.21 million and ₱20.32 million respectively (see Note 24).

- f. On December 21, 2021, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱10.0 billion comprising of ₱5.0 billion, 4-year fixed rate bonds due in 2025 and ₱5.0 billion, 6-year fixed rate bonds due in 2027. The 4-year bonds carry a fixed rate of 4.5300% per annum, while the 6-year bonds have a fixed rate of 5.2579% per annum. As of December 31, 2024 and 2023, ₱10.0 billion of these bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱65.45 million and ₱82.26 million as of December 31, 2024 and 2023, respectively. Accretion in 2024, 2023 and 2022 included as part of “Interest and other finance charges” amounted to ₱16.81 million, ₱21.33 million and ₱27.44 million, respectively (see Note 24).

- g. On June 23, 2022, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.90 billion comprising of ₱8.925 billion, 3-year fixed rate bonds due in 2025 and ₱2.975 billion, 5-year fixed rate bonds due in 2027. The 3-year bonds carry a fixed rate of 5.3455% per annum, while the 5-year bonds have a fixed rate of 6.4146% per annum. As of December 31, 2024 and 2023, ₱11.90 billion of these bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱64.60 million and ₱91.45 million as of December 31, 2024 and 2023, respectively. Accretion in 2024, 2023 and 2022 included as part of “Interest and other finance charges” amounted to ₱26.85 million, ₱38.76 million and ₱24.22 million, respectively (see Note 24).

- h. On December 1, 2023, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.43 billion which are 3.5-year fixed rate bonds due in 2027. The bonds carry a fixed rate of 6.9829% per annum. As of December 31, 2024 and 2023, ₱11.43 billion of these bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱99.92 million and ₱140.01 million as of December 31, 2024 and 2023, respectively. Accretion in 2024 and 2023 included as part of “Interest and other finance charges” amounted to ₱40.10 million and ₱3.45 million, respectively (see Note 24).

Interest incurred on these bonds (gross of related capitalized borrowing costs) amounted to ₱2.11 billion, ₱1.77 billion and ₱1.97 billion for the years ended December 31, 2024, 2023 and 2022, respectively. Payments made on these bonds amounted to ₱1.7 billion, ₱15.04 billion and ₱7.0 billion in 2024, 2023 and 2022, respectively.



The Group's bonds payable are unsecured and no assets are held as collateral for these debts. These bonds require the Group to maintain certain financial ratios which include maximum debt-to-equity ratio ranging from 2.0x to 2.5x; minimum current ratio ranging from 1.0x to 2.0x ; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x). As of December 31, 2024 and 2023, the Group has not been cited in default on any of its outstanding obligations.

21. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control of the Group's ultimate parent company (referred herein as "Affiliates"). Related parties may be individuals or corporate entities.

All material Related Party Transactions ("RPT") with a transaction value that reaches ten percent (10%) of the Group's total consolidated assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions ("Policy"). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall be subjected to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Outstanding balances at year-end are unsecured, interest free and require settlement in cash, unless otherwise stated. The transactions are made at terms and prices agreed upon by the parties. As of December 31, 2024 and 2023, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Significant related party transactions are as follows. Outstanding balances are unsecured and no impairment loss was recognized on any of the assets.

	2024		Terms	Conditions	Note
	Amount/ Volume	Due from / (Due to)			
(In Thousands)					
Bank under common control of the ultimate parent					
Cash and cash equivalents	₱3,533,791	₱3,533,791	0.50% to 4.50%	No impairment	(a)
Interest income	40,964	–			
	₱3,574,755	₱3,533,791			
Ultimate Parent	₱268	₱866	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Parent	(3,123)	–	Noninterest-bearing, payable on demand	Unsecured, no impairment	(c)
Associate - CTI Share in other expenses	5,200	19,388	Due within 30 days	Unsecured, no impairment	(d)

(Forward)



	2024				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
Associate - Pro-Excel					
Share in other expenses	(₱1,347)	₱15,096	Due within 30 days	Unsecured, no impairment	(d)
Associate – DPI					
Other income	(235,770)	236,542	Due within 30 days	Unsecured, no impairment	(d)
Associate – FMI					
Other income	(645)	463	Due within 30 days	Unsecured, no impairment	(d)
Associate – FAI					
Rent income	–	99	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(g)
Share in other expenses	22,838	30,412	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(d)
Affiliates					
Rental income	7,191	–	Noninterest-bearing	Unsecured, no impairment	(g)
Share in common expenses	(48,337)	131,562	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties (Note 9)		₱434,428			
Parent					
Share in Group expenses	(₱20,067)	(₱36,775)	Noninterest-bearing, payable on demand	Unsecured	(c)
Asset acquisition	346,414	–	Noninterest-bearing, collectible quarterly up to December 2024	Unsecured	(c)
Associate – SPI					
Share in other expenses	120,716	(139,587)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – ProActive					
Share in other expenses	–	(10,000)	Noninterest-bearing, payable on demand	Unsecured	(d)
Affiliates					
	(5,033)	(57,779)	Noninterest-bearing, payable on demand	Unsecured	(e)
Due to related parties		(₱244,141)			

	2023				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
	(In Thousands)				
Bank under common control of the ultimate parent					
Cash and cash equivalents	₱3,562,314	₱3,562,314	0.50% to 4.50%	No impairment	(a)
Interest income	19,594	–			
	₱3,581,908	₱3,562,314			
Ultimate Parent	₱132	₱598	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Parent		3,123	Noninterest-bearing, payable on demand	Unsecured, no impairment	(c)
Associate – CTI					
Share in other expenses	1,142	14,188	Due within 30 days	Unsecured, no impairment	(d)
Associate - Pro-Excel					
Share in other expenses	512	16,443	Due within 30 days	Unsecured, no impairment	(d)
Associate – DPI					
Other Income	243	472,312	Due within 30 days	Unsecured, no impairment	(d)
Associate – FMI					
Other income	34	1,108	Due within 30 days	Unsecured, no impairment	(d)

(Forward)



	2023				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
Associate – FAI					
Rent Income	₱–	₱99	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(g)
Share in other expenses	6,260	7,574	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(d)
Affiliates					
Rental income	7,191	–	Noninterest-bearing	Unsecured, no impairment	(g)
Share in common expenses	6,614	179,899	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties (Note 9)		₱695,344			
Parent					
Share in Group expenses	(₱1,634)	(₱36,777)	Noninterest-bearing, payable on demand	Unsecured	(c)
Asset acquisition	274,862	(346,414)	Noninterest-bearing, collectible quarterly up to December 2024	Unsecured	(c)
Associate – SPI					
Share in other expenses	120,716	(42,549)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – FMI					
Share in other expenses	–	(848)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – FAI					
Share in other expenses	–	(11,511)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – DPI					
Share in other expenses	–	(2,648)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – ProActive					
Share in other expenses	–	(10,000)	Noninterest-bearing, payable on demand	Unsecured	(d)
Affiliates	(1,122)	(37,739)	Noninterest-bearing, payable on demand	Unsecured	(e)
Due to related parties		(₱488,486)			

a. *Transactions with bank under common control of the ultimate parent (EW)*

On January 3, 2012, the Group entered into a Receivable Purchase Agreement with East West Banking Corporation (EW), an entity under common control of the Group’s parent company. The Group agreed to sell, assign, transfer and convey to EW all of its rights, titles and interest on certain contracts receivables. The contracts receivables sold to EW will be serviced by the Group under an Accounts Servicing Agreement.

Under this agreement, the Group shall be responsible for the monitoring and collection of contracts receivables sold to EW, including safekeeping of the collections in trust until these are remitted to EW, 10 days after the beginning of each month.

For the performance of the said services, the Group charges EW a service fee equivalent to a certain percentage of the amounts actually received and collected. Although the Group retains the contractual rights to receive cash flows from the contracts receivables sold to EW, the same will be subsequently distributed to EW under a “pass-through arrangement”.

In this transaction, the risk of default and non-payment of buyers of contracts receivable is assumed by EW and the Group has no liability to EW for such events. Due to this, the Group derecognized the contracts receivables sold and did not recognize any liability in its consolidated financial statements.



The Group's plan assets in the form of cash equivalents amounting to ₱196.60 million and ₱96.60 million as of December 31, 2024 and 2023, respectively, are maintained with EW (see Note 26). The Group also maintains cash and cash equivalents with EW.

As of December 31, 2021, the amounts payable to EW related to a purchase of land amounted to ₱2.14 billion and are presented as part of Accounts Payable under accounts payable and accrued expenses in the consolidated statement of financial position (see Note 18). The purchase was fully paid in 2022.

b. Transactions with Ultimate Parent (ALG)

Transactions with the Group's ultimate parent company relates to sharing of common expenses.

c. Transactions with the Group's parent company (FDC)

The Parent Company charged FDC certain common expenses paid by the Parent Company on its behalf.

On December 12, 2022, FILRT entered into a Deed of Sale for the purchase of three (3) parcels of land with a total area of 29,086 sq.m. owned by FDC, located in Boracay, Aklan. The parties agreed to a total purchase price of ₱1,047.10 million, ₱314.10 million, representing 30% of purchase price, payable upon signing of the agreement and the remaining 70% amounting to ₱732.90 million payable in equal quarterly installment up to December 2024. The land and related liability were carried at present value of future cash flow amounting to ₱1,021.80 million and ₱683.30 million, respectively.

In 2009, Promax was appointed by FDC as the marketing agent to act for and on behalf of FDC in promoting the marketing and sale of the Beaufort project. Accordingly, FDC pays Promax a marketing fee equivalent to a certain percentage of the net selling price (see Note 23).

d. Transactions with Associates

FAI

'Due from Associate' include noninterest-bearing cash advances and various charges for management fees, marketing fees, share of expenses and commission charges. FAI is also the provider of water services within the Filinvest City where majority of the office buildings of the Parent Company are located

FMI

Transactions with FMI relates to sharing of common expenses.

CTI

Transactions with CTI relates to sharing of common expenses and service fee for information and technology services.

Pro-Excel

Transactions from Pro-Excel relates to sharing of common expenses and management fee for managing the buildings of FLI.

DPI

Transactions from DPI relates to sharing of common expenses and noninterest-bearing cash advances.



SPI

Transactions with SPI relates to sharing of common expenses and service fees for technical, project management and procurement. This also includes retirement benefits of certain employees of FLI that were transferred to SPI and the corresponding payable to SPI was reported under “Due to related parties” (see Note 26).

Pro-Excel and DPI rents its office space from FLI while SPI rents its office space from FILRT. Revenue earned is recorded as part of Rental Revenues in the Statements of Comprehensive Income in 2024, 2023 and 2022 (see Note 6). Outstanding receivables are recorded as part of Other Receivables in the Statements of Financial position as of December 31, 2024 and 2023 (see Note 9).

ProActive

Transactions relates to subscription of ProActive’s capital stock amounting to ₱10.00 million.

e. Transactions with Affiliates

Transactions with affiliates relates to sharing of common expenses paid by the Parent Company on their behalf.

FILRT entered into a service agreement with FDC Retail Electricity Sales whereby FILRT shall engage and pay the services rendered by the latter to provide the electricity requirements of its facilities.

FILRT also entered into a service agreement with Professional Operations Maintenance Experts Incorporated whereby FILRT shall pay the services rendered by the latter to operate and maintain its equipment and premises.

FILRT and FLI also entered into a service agreement with its affiliate, Parking Pro, Inc., to operate and maintain the FILRT’s and FLI’s parking facilities.

- f.* The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱63.37 million, ₱48.74 million and ₱28.40 million in 2024, 2023 and 2022, respectively. Post-employment benefits of key management personnel amounted to ₱11.70 million, ₱8.26 million and ₱9.88 million in 2024, 2023 and 2022, respectively.

g. Leases with related parties - Group as lessor

Chroma Hospitality, Inc., Filinvest Hospitality Corp., Boracay Seascapes, Inc., FDC, CTI, SPI, and FAI lease its office spaces from FILRT. Pro-Excel and DPI lease its office spaces from FLI. The lease term is 10 years, renewable by another five (5) years upon mutual agreement by the parties. Revenue from rental and related services amounted to ₱303.49 million and ₱271.40 million in 2024 and 2023, respectively (see Note 6). The related outstanding receivables amounting to ₱26.39 million and ₱9.52 million as of December 31, 2024 and 2023, respectively, are presented as part of ‘Receivable from tenants’ under Other receivables line item in the statement of financial position (see Note 9).



h. Leases with related parties - Group as lessee

The Group has several land lease transactions with related parties:

1. **Mall lease with FAI**
The Parent Company, as lessee, entered into a lease agreement with FAI on a portion of the land area occupied by the Festival Supermall and its Expansion. The lease term will expire on September 30, 2056.
2. **Land lease with FAI**
The Parent Company, as lessee, entered into a lease agreement with FAI for a portion of land area occupied by a third party lessee. The lease term will expire on December 31, 2034.
3. **FCMI lease with FMI**
FCMI, a wholly owned subsidiary of the Parent Company, subleases the Mimosa Leisure Estate from FMI, an associate of the Parent Company. The original lessor is CDC. The lease term is 50 years, renewable by another 25 years upon mutual agreement by parties.
4. **PDDC lease with FAI**
PDDC, a 60% owned subsidiary of the Parent Company, leases Block 50 Lot 3-B-2, Northgate District from FAI. The lease term is 20 years from the date on which the Chilled Water production plants starts supplying chilled water.

As of December 31, 2024 and 2023, the amount included in lease liabilities payable to related parties amounted to ₱6,260.0 million and ₱5,952.3 million, respectively (see Note 15).

22. General and Administrative Expenses

The account consists of:

	2024	2023	2022
	(In Thousands)		
Salaries, wages and employee benefits	₱973,947	₱787,916	₱638,921
Taxes and licenses	457,298	438,209	334,907
Depreciation and amortization (Notes 13, 14, 15 and 16)	272,172	264,988	388,694
Repairs and maintenance	238,525	401,137	357,447
Outside services	200,485	153,558	191,061
Transportation and travel	85,561	81,650	73,354
Entertainment, amusement and recreation	79,101	82,684	69,518
Electronic data processing charges	72,673	106,848	72,122
Communications, light and water	48,532	54,357	43,084
Insurance	39,779	38,675	45,933
Retirement costs (Note 26)	36,761	33,542	40,532
Office supplies	18,166	16,757	14,447
Rent (Notes 15 and 21)	16,019	10,464	19,837
Others	84,334	113,811	23,205
	₱2,623,353	₱2,584,596	₱2,313,062



“Others” mainly consists of postage and dues and subscription, parking operations, freight charges, provision for ECLs and other miscellaneous expenses.

23. Selling and Marketing Expenses

The account consists of:

	2024	2023	2022
	(In Thousands)		
Brokers’ commissions (Note 6)	₱822,537	₱745,289	₱704,281
Selling, advertising and promotions	285,388	263,845	121,010
Service fees	239,895	180,031	192,163
Salaries and wages	144,696	116,533	117,599
Sales office direct costs	61,455	59,496	15,074
Others	4,188	4,941	516
	₱1,558,159	₱1,370,135	₱1,150,643

24. Interest and Other Finance Charges

The following table shows the component of interest income, interest expense and other financing charges recognized in the consolidated statements of income:

	2024	2023	2022
	(In Thousands)		
Interest income on:			
Contracts receivable (Note 8)	₱199,507	₱174,029	₱276,494
Cash and cash equivalents (Notes 7 and 21)	98,695	80,387	71,203
Others (Note 26)	20,886	29,562	19,355
	₱319,088	₱283,978	₱367,052
Interest and other finance charges:			
Loans and bonds payable, net of interest capitalized (Notes 19 and 20)	₱2,886,610	₱1,613,633	₱1,694,005
Lease liabilities, net of interest capitalized (Note 15)	520,667	487,174	425,148
Amortization of transaction costs of loans and bonds (Notes 19 and 20)	190,861	193,341	153,215
Other finance charges (Note 26)	87,609	140,245	21,875
	₱3,685,747	₱2,434,393	₱2,294,243

Other finance charges include bank charges, debt issue costs for short-term loans, and other miscellaneous bank fees.



25. Other Income

The account consists of:

	2024	2023	2022
	(In Thousands)		
Forfeited reservation and collections	₱206,591	₱92,854	₱114,937
Processing fees	166,844	94,748	107,013
Service fees (Note 21)	114,506	155,339	68,484
Management, leasing and other fees (Note 21)	32,945	1,588	6,809
Foreign currency exchange gain (loss)	1,053	(6,909)	10,644
Others	4,981	3,273	3,987
	₱526,920	₱340,893	₱311,874

26. Retirement Costs

The Group has a funded, noncontributory defined benefit retirement plan (the “Plan”) covering substantially all of its officers and regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The retirement plan provides retirement benefits equivalent to 70% to 125% of the final monthly salary for every year of service. The funds are administered by the Group’s Treasurer under the supervision of the Board of Trustees of the Plan and are responsible for investment strategy of the Plan.

The following tables summarize the components of retirement expense recognized in the consolidated statements of income and pension liability recognized in the consolidated statements of financial position for the existing retirement plan.

	2024		
	Present value of defined benefit obligation	Fair value of plan asset	Net defined benefit liabilities
	(In Thousands)		
Balance as at beginning of year	₱533,793	₱96,600	₱437,193
Net benefit costs in profit or loss			
Current service cost (Note 22)	36,761	–	36,761
Net interest (Note 24)	24,782	–	24,782
	61,543	–	61,543
Contribution	–	100,000	(100,000)
Balance as at end of year	₱595,336	₱196,600	₱398,736



	2023		
	Present value of defined benefit Obligation	Fair value of plan asset	Net defined benefit liabilities
	(In Thousands)		
Balance as at beginning of year	₱452,647	₱21,339	₱431,308
Net benefit costs in profit or loss			
Current service cost (Note 22)	33,542	–	33,542
Net interest (Note 24)	27,152	261	26,891
	60,694	261	60,433
Benefits paid	(7,100)	–	(7,100)
Contribution	–	75,000	(75,000)
Remeasurements loss in other comprehensive income	27,552	–	27,552
Balance as at end of year	₱533,793	₱96,600	₱437,193

The Group's plan assets comprise of cash equivalents with original maturities of three months or less from dates of placements and are subject to insignificant risk of changes in value. As of December 31, 2024 and 2023, these placements are with EW (see Note 21). As of December 31, 2024 and 2023, the Group's plan assets are carried at fair value.

In 2022 and 2021, certain employees of FLI were transferred to SPI. The related retirement benefits of these employees were also transferred with a corresponding payable to SPI. As of December 31, 2024 and 2023, the outstanding balance of the transferred retirement benefits amounted to ₱144.11 million (see Note 21).

The costs of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The discount rate used in determining pension obligation for the defined benefit plan were 5.10% to 6.20% and 5.10% to 7.30% in 2024 and 2023, respectively. The future salary increases rate used is 6.00% in 2024 and 2023.

The sensitivity analysis that follows has been determined based on reasonably possible changes of the assumption occurring as of the end of the reporting period, assuming if all other assumptions were held constant. Management believes that as of the reporting date, it is only the decline in discount rate that could significantly affect the pension obligation.

Management believes that pension obligation will not be sensitive to the salary rate increases because it is expected to be at the same level throughout the remaining life of the obligation.

The sensitivity analyses below have been determined based on reasonably possible changes of the significant assumption on the DBO as of the end of the financial reporting period, assuming all other assumptions were held constant.

Assumption	Increase (Decrease)	Increase (decrease) on DBO	
		2024	2023
Salary rate	+1%	₱61,234	₱47,610
	-1%	(54,332)	(42,671)
Discount rate	+1%	(53,757)	(41,894)
	-1%	61,668	47,492



Shown below is the maturity analysis of the undiscounted benefit payments of the Group:

	2024	2023
	(In Thousands)	
Less than one year	₱97,060	₱32,253
More than one year and up to five years	177,794	160,957
More than five years and up to 10 years	350,342	307,553

The Group expects to contribute ₱100.0 million to its plan assets in the next 12 months.

The management does not perform a formal Asset-Liability Matching (ALM) Study. The overall investment policy and ALM strategy of the retirement plan is based on the client sustainability assessment, as provided by its trustee bank in compliance with the Bangko Sentral ng Pilipinas requirements.

27. Equity

The details of the Parent Company's common and preferred shares as of December 31, 2024 and 2023 follow:

	2024		2023	
	Common Shares	Preferred Shares	Common Shares	Preferred Shares
	(In Thousands, except par value figures)			
Authorized shares	33,000,000	8,000,000	33,000,000	8,000,000
Par value per share	1.00	0.01	1.00	0.01
Issued and subscribed shares	24,470,708	8,000,000	24,470,708	8,000,000
Treasury shares	2,086,949	-	220,949	-

In 2024 and 2023, there was no issuance of additional common shares.

The movement in the Parent Company's treasury shares follows:

	2024		2023	
	Shares	Amount	Shares	Amount
	(In Thousands)			
<i>Common</i>				
Balance at beginning of year	220,949	₱221,041	220,949	₱221,041
Additions	1,866,000	1,857,043	-	-
Balance at end of year	2,086,949	₱2,078,084	220,949	₱221,041

Preferred Shares

As stated in the Parent Company's Amended Articles of Incorporation, the preferred shares may be issued from time to time in one or more series as the BOD may determine, and authority is expressly granted to the BOD to establish and designate each particular series of preferred shares, to fix the number of shares to be included in each of such series, and to determine the dividend rate and the issue price and other terms and conditions for each such shares. Dividends shall be cumulative from and after the date of issue of the preferred shares. Preferred shares of each and any sub-series shall not be entitled to any participation or share in the retained earnings remaining after dividend payments shall have been made on the preferred shares. To the extent not set forth in the Articles of



Incorporation, the specific terms and restrictions of each series of preferred shares shall be specified in such resolutions as may be adopted by the BOD prior to the issuance of each of such series (the “Enabling Resolutions”), which resolutions shall thereupon be deemed a part of the Amended Articles of Incorporation.

In an Enabling Resolution approved and adopted by the BOD on October 6, 2006, it was clarified that the preferred shares are not convertible to common shares. In another Enabling Resolution approved and adopted by the BOD on January 5, 2007, the Board approved that preferred shares are entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares.

Thus, in a disclosure made by the Parent Company to the relevant government agency and regulatory body on January 18, 2007, it was clarified that the features of the issued and subscribed preferred shares, in addition to the features indicated in the Parent Company’s Amended Articles of Incorporation so long as these features are not inconsistent with the Enabling Resolutions, are as follows: (i) voting, cumulative, and non-redeemable, (ii) par value is one centavo (₱0.01), (iii) entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares, and (iv) not convertible to common shares.

Treasury Shares

On December 20, 2007, the Parent Company’s BOD approved the buy-back of some of the issued shares of stock of the Parent Company over a period of 12 months up to an aggregate amount of ₱1.50 billion, in view of the strong financial performance of the Parent Company and the very large discrepancy that existed between the current share price and the net asset value of the Parent Company.

The Parent Company had acquired 220.95 million shares at total cost of ₱221.04 million in 2008. There were no additional acquisitions in 2023 and 2022. The retained earnings is restricted from dividend distribution to the extent of the cost of treasury shares.

On December 11, 2024, the Parent Company settled its Capped Voluntary Tender Offer, which was filed on October 2, 2024. The Parent Company has reacquired a total of 1,866,000,000 common shares in exchange for 597,120,000 FILRT common shares. The shareholders were offered 0.32 FILRT shares for every 1.00 FLI shares tended. As a result of the voluntary tender offer, the Parent Company’s interest in FILRT decreased to 51.1% and the costs of treasury shares amounted to ₱1.86 billion (Note 32).

Dividend Declarations

On April 19, 2024, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.05 per share or a total of ₱1.22 billion for all common stockholders and ₱0.0005 per share or a total of ₱4.00 million for all preferred stockholders of record as of May 13, 2024 payable on June 5, 2024.

On April 24, 2023, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.03600 per share or a total of ₱872.99 million for all common stockholders of record as of May 12, 2023 payable on June 6, 2023.

On April 24, 2023, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.00036 per share or a total of ₱2.88 million for all preferred stockholders of record as of May 12, 2023 payable on June 6, 2023.



On April 22, 2022, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.04700 per share or a total of ₱1.14 billion for all common stockholders of record as of May 11, 2022 payable on June 02, 2022.

On April 22, 2022, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.0004 per share or a total of ₱3.2 million for all preferred stockholders of record as of May 11, 2022 payable on June 02, 2022.

As of December 31, 2024 and 2023, the Group's total dividends payable amounted to ₱21.41 million.

Retained Earnings

Retained earnings include undistributed earnings amounting to ₱1.31 billion as of December 31, 2024 and 2023, representing accumulated equity in net earnings of subsidiaries, which are not available for dividend declaration until declared as dividends by the subsidiaries.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury and deferred tax asset recognized in profit or loss as of December 31, 2024 and 2023.

Retained earnings is being utilized to cover part of the annual expenditure requirements of the Parent Company for its expansion projects in the real estate and leasing segments. Furthermore, the retained earnings was also restricted for dividend declaration considering special circumstances as approved by the BOD.

On November 6, 2024, FLI's BOD approved appropriation of retained earnings amounting to ₱24.81 billion out of its unrestricted retained earnings as of December 31, 2023. The appropriations will cover the following:

(a) Appropriation for future capital expenditures:

Project	Phase/Building	Location	Segment	Amount (In Thousands)	Estimated Completion Date
Filinvest Innovation Park	Industrial	Laguna	Industrial	₱2,894,000	2029
Celestia	Phase 1	Rizal	Residential	2,042,500	2029
Panglao Oasis	Bldg. 2 - Elena	Taguig City	Residential	800,000	2029
Futura Rise Iloilo	Bldgs. A - E	Iloilo	Residential	223,300	2029
Cebu Ciudad	Hotel	Cebu	Hotel	1,969,300	2030
Cebu Ciudad	Office	Cebu	Office	1,523,600	2030
Belize Oasis	Bella	Quezon City	Residential	821,700	2030
Sydney Oasis	Bldg. A	Cavite	Residential	786,400	2030
Futura Shores	Bldg. A	Dumaguete	Residential	625,000	2030
Futura Monte	Bldg. B	Naga City	Residential	399,300	2030
				₱14,645,400	

(b) Appropriation under special circumstances:

	Project	Amount (In Thousands)
Under the required Reinvestment Plan	Various FLI Projects as to be contained in the Reinvestment Plan	₱1,866,000
Non-Distributable Capital Asset	Cebu SRP Lot, Filinvest Axis Towers 2, 3, and 4, Filinvest EDSA, IT School, Convergys and Filinvest Cebu Tower 2	8,302,300
		₱10,168,300



Capital Management

The Group monitors its capital and cash positions and manages its expenditures and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

No changes were made in capital management objectives, policies or processes for the years ended December 31, 2024, 2023 and 2022.

The Group monitors capital using interest-bearing debt-to-equity ratio, which is the long-term debt (loans payable, bonds payable) divided by total equity. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1. The following table shows how the Group computes for its interest-bearing debt-to-equity ratio:

	2024	2023
	(In Thousands)	
Loans payable (Note 19)	₱42,032,644	₱36,987,927
Bonds payable (Note 20)	35,856,588	37,468,512
Long-term debt	77,889,232	74,456,439
Total equity	93,335,512	94,271,869
Interest-bearing debt-to-equity ratio	0.83:1.00	0.79 : 1.00

The Group is subject to externally imposed capital requirements due to loan covenants (see Notes 19 and 20).

On August 12, 1993, SEC approved the registration of ₱2.0 billion common shares with issue price of ₱5.25 per share.

On December 15, 2006, SEC approved the registration of ₱3.7 billion common shares with issue price of ₱1.60 per share.

Below is the summary of the outstanding number of common shares and holders of security:

Year	Number of Shares Registered (In Thousands)	Number of Holders of Securities
January 1, 2023	24,249,759	5,625
Add/(deduct) movement	-	(19)
December 31, 2023	24,249,759	5,606
Add/(deduct) movement	(1,866,000)	(50)
December 31, 2024	22,383,759	5,556

**Exclusive of 2,086,949 and 220,949 treasury shares as of December 31, 2024 and 2023, respectively.*



28. Earnings Per Share

	2024	2023	2022
	(In Thousands, Except EPS Figures)		
a. Net income attributable to the equity holder of the parent*	₱4,164,482	₱3,762,508	₱2,886,525
b. Weighted average number of outstanding common shares (after considering treasury shares)	24,094,259	24,249,759	24,249,759
Basic/Diluted EPS (a/b)	₱0.17	₱0.16	₱0.12

*After deducting the dividends for preferred shareholders (see Note 27) - 2024: ₱4.00 million, 2023: ₱2.90 million, 2022: ₱3.20 million.

There were no potential dilutive shares in 2024, 2023 and 2022.

29. Income Tax

Provision for income tax consists of:

	2024	2023	2022
	(In Thousands)		
Current	₱72,663	₱578,496	₱442,539
Deferred	931,972	66,843	284,540
	₱1,004,635	₱645,339	₱727,079

The components of the Group's deferred income tax assets follow:

	2024	2023
	(In Thousands)	
Advance rentals	₱49,359	₱1,089
Accrued retirement benefits	45,032	45,753
NOLCO	1,641	1,641
	₱96,032	₱48,483

The components of the Group's net deferred income tax liabilities follow:

	2024	2023
	(In Thousands)	
Deferred income tax liabilities on:		
Capitalized borrowing costs (Note 2)	₱3,120,527	₱4,525,162
Excess of real estate revenue based on financial accounting policy over real estate revenue based on tax rules	2,739,695	1,893,872
Right-of-use-assets	933,007	1,056,544
	6,793,229	7,475,578

(Forward)



	2024	2023
	(In Thousands)	
Deferred income tax assets on:		
Lease liabilities	(₱1,094,074)	(₱1,171,652)
NOLCO	(523,985)	(323,611)
MCIT	(152,573)	(149,457)
Accrued retirement benefits charged to profit or loss	(114,863)	(127,345)
Remeasurement losses on retirement plan	(25,287)	(25,287)
Advance rentals	(23,923)	(12,666)
Allowance for expected credit losses	(10,243)	(10,243)
Others	(31,277)	(6,164)
	(1,976,225)	(1,826,425)
	₱4,817,004	₱5,649,153

Provision for deferred income tax charged directly to other comprehensive income in 2023 and 2022 relating to remeasurement gain (loss) on defined benefit obligation amounted to (₱6.89 million) and ₱5.48 million, respectively (nil in 2024).

The Group did not recognize deferred income tax assets on NOLCO of certain subsidiaries amounting to ₱877.15 million and ₱679.70 million as of December 31, 2024 and 2023, respectively, since management believes that their carryforward benefits may not be realized before they expire.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of the Bayanihan 2 Act which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

As of December 31, 2024, the MCIT recognized amounting to ₱152.57 million can be claimed as deduction from income tax due until December 31, 2027.

The carryforward benefits of the NOLCO, which can be claimed by the Group as credits against the RCIT, are as follows (amounts in thousands):

Year Incurred	Amount	Expiry Date
2024	₱1,021,900	December 31, 2027
2023	451,559	December 31, 2026
2022	209,018	December 31, 2025
2021	301,509	December 31, 2026
2020	989,104	December 31, 2025
	₱2,973,090	

The following are the movements in NOLCO:

	2024	2023
	(In Thousands)	
Balance as at beginning of year	₱1,978,515	₱1,614,042
Addition	1,021,900	451,559
Applied/expired	(27,325)	(87,086)
Balance as at end of year	₱2,973,090	₱1,978,515



The reconciliation of the provision for income tax at statutory tax rate to the actual provision for income tax follows:

	2024	2023	2022
		(In Thousands)	
Income tax at statutory tax rate	₱1,410,093	₱1,235,346	₱1,062,054
Adjustments for:			
Nondeductible interest expense	7,219	5,024	5,777
Deductible expense - Optional Standard Deduction	(228,851)	(168,833)	(38,537)
Equity in net earnings of associates	(89,579)	(60,502)	(19,739)
Income covered by PEZA (Note 34)	(44,674)	(287,678)	(136,828)
Income subjected to final tax	(19,739)	(16,054)	(16,082)
Interest on HGC-enrolled contracts receivables	(19,274)	(8,986)	(673)
Change in unrecognized deferred tax	(2,679)	21,771	(66,342)
Tax-exempt net income on socialized housing units	-	9,344	(10,761)
Income tax holiday incentive on sales of BOI-registered projects (Note 34)	-	(84,093)	(51,663)
Others - net	(7,881)	-	(127)
	₱1,004,635	₱645,339	₱727,079

30. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Group's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	2024			
	Carrying Value	Fair Value		
		Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)
(In Thousands)				
Assets measured at fair value				
Financial assets at FVOCI (Note 17)				
Quoted	₱6,458	₱6,458	₱6,458	₱-
Unquoted	9,077	9,077	-	9,077
	₱15,535	₱15,535	₱6,458	₱-
				₱9,077



2024					
	Carrying Value	Fair Value			
		Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts payable and accrued expenses (Note 18)					
Accounts payable	₱9,949,858	₱9,250,532	₱-	₱-	₱9,250,532
Retention fees payable	3,153,659	2,983,339	-	-	2,983,339
Deposits for registration	1,971,433	1,836,831	-	-	1,836,831
	15,074,950	14,070,702	-	-	14,070,702
Lease liabilities (Note 15)	6,930,338	9,826,141	-	-	9,826,141
Loans payable (Note 19)	42,032,644	40,328,382	-	-	40,328,382
Bonds payable (Note 20)	35,856,588	34,125,491	-	-	34,125,491
	₱99,894,520	₱98,350,716	₱-	₱-	₱98,350,716

2023					
	Carrying Value	Fair Value			
		Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(In Thousands)					
Assets measured at fair value					
Financial assets at FVOCI (Note 17)					
Quoted	₱6,458	₱6,458	₱6,458	₱-	₱-
Unquoted	9,077	9,077	-	-	9,077
	₱15,535	₱15,535	₱6,458	₱-	₱9,077
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts payable and accrued expenses (Note 18)					
Accounts payable	₱10,597,322	₱9,942,407	₱-	₱-	₱9,942,407
Retention fees payable	2,581,979	2,422,413	-	-	2,422,413
Deposits for registration	1,791,324	1,680,620	-	-	1,680,620
	14,970,625	14,045,440	-	-	14,045,440
Lease liabilities (Note 15)	6,719,861	9,527,716	-	-	9,527,716
Loans payable (Note 19)	36,987,927	37,173,908	-	-	37,173,908
Bonds payable (Note 20)	37,468,512	35,426,365	-	-	35,426,365
	₱96,146,925	₱96,173,429	₱-	₱-	₱96,173,429

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- *Cash and cash equivalents, due from and to related parties, other receivables and other current assets:* Due to the short-term nature of these accounts, their fair values approximate their carrying amounts.
- *Contract receivables:* Estimated fair value of contract receivables is based on the discounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date. Interest rates used was 11.5% - 19.0% in 2024 and 2023.

Due to the short-term nature of receivables from government and financial institutions, carrying amounts approximate fair values.

- *Financial assets at FVOCI:* Fair values were determined using quoted market prices at reporting date. Fair value of unquoted equity securities are based on the latest selling price available.



- *Accounts payable and accrued expenses:* On accounts due within one year, the fair value of accounts payable and accrued expenses approximates the carrying amounts. On accounts due for more than a year, estimated fair value is based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables as of the reporting date. Interest rate used was 6.83% and 6.18% in 2024 and 2023, respectively.
- *Long-term debt (lease liabilities, loans payable and bonds payable):* Estimated fair value on debts with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date.

Long term debt subjected to quarterly repricing is not discounted since it approximates fair value. The discount rates used range from 4.18% to 6.98% and 4.46% to 7.20% as of December 31, 2024 and 2023, respectively.

During the years ended December 31, 2024, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, contracts and other receivables, due from related parties, financial assets at FVOCI, accounts payable and accrued expenses, due to related parties and long-term debt (loans payable and bonds payable). The main purpose of these financial instruments is to raise financing for the Group's operations.

The main objectives of the Group's financial risk management are as follows:

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

The Group's finance and treasury functions operate as a centralized service for managing financial risks and activities, as well as providing optimum investment yield and cost-efficient funding for the Group. The Group's BOD reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. The Group's risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. In order to cover its financing requirements, the Group uses both internally generated funds and available long-term and short-term credit facilities.



As of December 31, 2024 and 2023, the Group has undrawn short-term credit lines amounting ₱28.17 billion and ₱25.78 billion, respectively, and undrawn long-term credit facilities amounting ₱35.34 billion and ₱31.18 billion, respectively.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted payments.

	2024						Total
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	
(In Thousands)							
Financial liabilities at amortized cost							
Accounts payable and accrued expenses							
Accounts payable	₱1,805,567	₱678,331	₱371,211	₱3,529,903	₱3,564,846	₱-	₱9,949,858
Retention fees payable	1,022,650	1,022,064	219,841	12,243	558,867	317,994	3,153,659
Deposits for registration	-	581	239,145	878,104	345,867	507,736	1,971,433
Accrued expenses	1,964,763	-	-	-	-	-	1,964,763
Accrued interest on bonds and loans	535,049	-	-	-	-	-	535,049
	5,328,029	1,700,976	830,197	4,420,250	4,469,580	825,730	17,574,762
Other payables	1,111,510	-	-	114,097	-	-	1,225,607
Due to related parties	244,141	-	-	-	-	-	244,141
Loans payable	-	2,292,934	6,878,801	16,115,255	15,444,491	12,397,500	53,128,981
Bonds payable	-	4,190,002	12,570,006	23,156,497	-	-	39,916,505
Lease liabilities	-	119,584	358,753	1,017,251	540,138	27,210,871	29,246,597
	₱6,683,680	₱8,303,496	₱20,637,757	₱44,823,350	₱20,454,209	₱40,434,101	₱141,336,593

	2023						Total
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	
(In Thousands)							
Financial liabilities at amortized cost							
Accounts payable and accrued expenses							
Accounts payable	₱3,528,570	₱1,325,645	₱725,449	₱2,496,472	₱2,521,186	₱-	₱10,597,322
Retention fees payable	940,410	939,871	202,161	6,879	313,996	178,662	2,581,979
Deposits for registration	-	528	217,297	797,881	314,269	461,349	1,791,324
Accrued expenses	1,712,947	-	-	-	-	-	1,712,947
Accrued interest on bonds and loans	674,345	-	-	-	-	-	674,345
	6,856,272	2,266,044	1,144,907	3,301,232	3,149,451	640,011	17,357,917
Other payables	-	-	-	202,281	-	-	202,281
Due to related parties	488,486	-	-	-	-	-	488,486
Loans payable	-	4,615,811	13,847,432	18,976,679	2,282,655	-	39,722,577
Bonds payable	-	977,953	2,933,860	18,524,610	20,094,336	-	42,530,759
Lease liabilities	-	114,146	342,436	975,296	520,292	27,756,008	29,708,178
	₱7,344,758	₱7,973,954	₱18,268,635	₱41,980,098	₱26,046,734	₱28,396,019	₱130,010,198

The tables below summarize the maturity profile of the Group's financial assets and contract assets held to manage liquidity as of December 31:

	2024						Total
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	
(In Thousands)							
Financial assets at amortized cost							
Cash and cash equivalents							
Cash on hand and in banks	₱3,011,408	₱-	₱-	₱-	₱-	₱-	₱3,011,408
Cash equivalents	-	972,783	-	-	-	-	972,783

(Forward)



	2024						Total
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	
(In Thousands)							
Contracts receivable							
Contracts receivable	₱1,932,985	₱-	₱-	₱-	₱-	₱-	₱1,932,985
Receivables from government and financial institutions	245,297	-	-	-	-	-	245,297
Other receivables							
Receivable from tenants - net	2,302,942	-	-	-	-	-	2,302,942
Due from related parties	434,428	-	-	-	-	-	434,428
Investment in bonds	-	-	-	-	150,000	-	150,000
Receivable from homeowners' associations - net	174,596	-	-	-	-	-	174,596
Others	292,037	-	-	-	-	-	292,037
Short-term deposits	-	-	179,750	-	-	-	179,750
	8,393,693	972,783	179,750	-	150,000	-	9,696,226
Financial assets at FVOCI							
Investments in shares of stocks:							
Quoted	-	-	-	6,458	-	-	6,458
Unquoted	-	-	-	9,077	-	-	9,077
	-	-	-	15,535	-	-	15,535
Total financial assets	8,393,693	972,783	179,750	15,535	150,000	-	9,711,761
Contract assets	-	1,446,495	4,339,484	1,846,887	463,962	342,265	8,439,093
	₱8,393,693	₱2,419,278	₱4,519,234	₱1,862,422	₱613,962	₱342,265	₱18,150,854
2023							
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	Total
(In Thousands)							
Financial assets at amortized cost							
Cash and cash equivalents							
Cash on hand and in banks	₱4,604,987	₱-	₱-	₱-	₱-	₱-	₱4,604,987
Cash equivalents	-	1,127,021	-	-	-	-	1,127,021
Contracts receivable							
Contracts receivable	1,582,486	-	-	-	-	-	1,582,486
Receivables from government and financial institutions	255,343	-	-	-	-	-	255,343
Other receivables							
Receivable from tenants - net	2,038,850	-	-	-	-	-	2,038,850
Due from related parties	695,344	-	-	-	-	-	695,344
Investment in bonds	-	-	-	-	150,000	-	150,000
Receivable from homeowners' associations - net	227,671	-	-	-	-	-	227,671
Others	139,383	-	-	-	-	-	139,383
Short-term deposits	-	-	96,332	-	-	-	96,332
	9,544,064	1,127,021	96,332	-	150,000	-	10,917,417
Financial assets at FVOCI							
Investments in shares of stocks:							
Quoted	-	6,458	-	-	-	-	6,458
Unquoted	-	9,077	-	-	-	-	9,077
	-	15,535	-	-	-	-	15,535
Total financial assets	9,544,065	1,142,556	367,514	-	150,000	-	11,204,135
Contract assets	-	1,186,457	3,559,370	991,671	440,571	3,605,700	9,783,769
	₱9,544,065	₱2,329,013	₱3,926,884	₱991,671	₱590,571	₱3,605,700	₱20,987,904



Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for its contract receivables and other receivables.

It is the Group's policy that buyers who wish to avail the in-house financing scheme be subjected to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. Moreover, as discussed in Note 8, the Group has a mortgage insurance contract with Home Guaranty Corporation for a retail guaranty line.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based groupings of various customer segments with similar loss patterns (i.e., by market segment and collateral type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract receivables and contract assets using a provision matrix:

	2024					
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	₱10,617,375	₱998,096	₱927,492	₱3,333,568	₱4,364,922	₱993,297
	(In Thousands)					
	2023					
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	₱11,621,598	₱520,811	₱1,695,400	₱3,894,430	₱4,520,571	₱990,386
	(In Thousands)					

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.



Based on the Group's experience, the said assets are highly collectible or collectible on demand. The Group holds as collaterals the corresponding properties which the third parties had bought on credit. In few cases of buyer defaults, the Group can repossess the collateralized properties and resell them at the prevailing market price.

The following tables show the credit quality by class of asset as of December 31, 2024 and 2023. The Group's high-grade receivables pertain to receivables from related parties and third parties which, based on experience, are highly collectible or collectible on demand, and of which exposure to bad debt is not significant.

Receivables assessed to be of standard grade are those which had passed a certain set of credit criteria, and of which the Group has not noted any extraordinary exposure which calls for a substandard grade classification.

As at December 31, 2024 and 2023, the analysis of contracts receivable that were past due is as follows:

	Past due					Total
	Less than 30 days	30 to 60 days	61 days to 90 days	91 days to 120 days	Over 120 days	
	(In Thousands)					
2024	₱1,096,522	₱277,554	₱211,176	₱99,212	₱248,521	₱1,932,985
2023	384,811	171,577	250,029	106,180	669,889	1,582,486

No individually impaired and expected credit loss have been recognized for contracts receivables.

There is no concentration risk on the Group's financial assets as of December 31, 2024 and 2023.

Interest Rate Risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's loans from various financial institutions. To manage interest rate risk, the Group renegotiates the interest rates for certain long term debts to convert them from fixed-rate debt to floating-rate debt as the Group believes that the current interest rate environment makes it more favorable to carry floating-rate debt.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no other impact on the Group's other comprehensive income other than those already affecting the profit and loss.

	Increase (decrease) in basis points	Effect on income before income tax (In Thousands)
2024	+200	₱200,968
	-200	(200,968)
2023	+200	173,361
	-200	(173,361)

The assumed change in rate is based on the currently observable market environment. Effect on the Group's income before tax is computed on the carrying amount of the Group's floating rate loans payable as of December 31, 2024 and 2023.



The following tables set out the carrying amount, by maturity, of the Group's loans payable that are exposed to interest rate risk (amounts in thousands):

Variable interest rate	91-day Treasury bill plus 1% to 2% margin					Total
	Below 1 Year	1-2 Years	>2 years but <3 years	3 years to 4 years	Over 4 years	
As of December 31, 2024	₱200,000	₱-	₱1,160,000	₱50,100	₱8,875,000	₱10,285,100
As of December 31, 2023	4,731,667	3,000,000	-	1,160,000	50,100	8,941,767

32. Subsidiary with Material Noncontrolling Interest

The noncontrolling interest of FLI in its partially-owned subsidiaries as of December 31 follows:

	2024	2023
FILRT	48.9%	36.7%
FBCI	45.0%	45.0%
FAC	40.0%	40.0%
FSM Cinemas	40.0%	40.0%
PDDC	40.0%	40.0%
NSI	25.0%	25.0%
TSNC	2.0%	2.0%

The increase in the noncontrolling interest in FILRT in 2024 is mainly due to the Parent Company's voluntary tender offer where the Parent Company offered 0.32 FILRT shares for every 1.00 FLI shares (see Note 27).

Total dividends declared and paid to noncontrolling interest follows:

	Total Dividends Declared	Share of Noncontrolling Interest
(In Thousands)		
FILRT		
2024	₱1,237,873	₱454,671
2023	1,389,549	510,381
2022	1,976,682	726,035
FAC		
2024	₱350,000	₱140,000
2023	375,000	150,000
2022	60,000	24,000
PDDC		
2024	₱100,000	₱40,000

The summarized financial information of FILRT as of and for the year December 31, 2024 and 2023 is provided below. This information is based on amounts consolidated to the Group under the same accounting policy (i.e., cost accounting for investment properties and intangible assets) before intercompany eliminations.



Summarized Statement of Financial Position:

	2024	2023
	(In Thousands)	
Current assets	₱1,660,729	₱2,345,208
Noncurrent assets	10,886,899	11,111,540
Total assets	12,547,628	13,456,748
Current liabilities	1,568,972	1,836,368
Noncurrent liabilities	6,514,655	6,772,555
Total liabilities	8,083,627	8,608,923
Equity	₱4,464,001	₱4,847,825

Statement of Comprehensive Income

	2024	2023
	(In Thousands)	
Revenues	₱2,843,627	₱3,040,837
Cost and other expenses	1,605,208	1,693,406
Other charges	384,371	422,253
Income before income tax	854,048	925,178
Net income for the year	854,048	925,178
Net income attributable to noncontrolling interest	₱319,195	₱339,818

Statement of Cash Flows

	2024	2023
	(In Thousands)	
Cash flows from (used in)		
Operating activities	₱1,145,565	₱1,236,828
Investing activities	(112,913)	185,992
Financing activities	(1,689,835)	(1,823,736)
Net increase in cash and cash equivalents	(₱657,184)	(₱400,916)

The entire proceeds from FILRT's listing and any subsequent sale thereafter, shall be used in accordance with its reinvestment plan. As a REIT entity, FILRT is subject to externally imposed capital requirements from its debt covenants and based on the requirements of the Aggregate Leverage Limit under the REIT Implementing Rules and Regulations. Per Section 8 of the REIT Implementing Rules and Regulations issued by the SEC, 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. Provided, further, that in no case shall a Fund Manager, borrow for the REIT from any of the funds under its management.



33. Contingencies and Commitments

Contingencies

The Group is involved in various legal actions, claims, assessments and other contingencies incidental to its ordinary course of business. Management believes that any amount the Group may have to pay in connection with any of these matters would not have a material adverse effect on the consolidated financial position or operating results. The other information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as they may prejudice the outcome of the ongoing proceedings.

BTO Agreement with Cebu Province

In connection with the BTO Agreement with the Cebu Province, the Group is committed to develop and construct a BPO Complex on the properties owned by Cebu Province located at Salinas, Lahug, Cebu City and transfer the ownership of the BPO Complex to the Cebu Province upon completion in exchange for the right to operate and manage the BPO Complex for the entire term of the agreement and its renewal (see Note 16).

Capital Commitments and Obligations

The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties and property and equipment items aggregating ₱6.30 billion and ₱6.39 billion as of December 31, 2024 and 2023, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

Assignment of Development Rights under a BTO Agreement

On June 26, 2015, the Parent Company and a third party entered into an agreement whereby the latter agreed to assign its project development rights and benefits under its BTO Agreement with Cebu Province to the Parent Company. In consideration of this assignment, the Parent Company paid upfront fee amounting to ₱50.0 million and ₱150.0 million in 2016 and 2015, respectively. On January 30, 2024, the Parent Company and the Province of Cebu entered into an Amendment Agreement to the BTO Agreement, recognizing the full assignment not only of the rights and benefits but also the obligations under the BTO Agreement in favor of the Parent Company as the successor proponent to the contemplated project development. As of December 31, 2024, project construction has not started due to pending approval from Cebu Province on the cleared site. Thus, the upfront fee is recorded as part of 'Other noncurrent assets' in the consolidated statement of financial position (see Note 17).

Development Agreement with Bases Conversion Development Authority (BCDA)

In 2015, the Parent Company won the contract to develop a 288-hectare area in Clark Green City in Tarlac and paid 10% of the bid premium as bid security amounted to ₱16.0 million. On January 8, 2016, the Joint Venture Agreement with BCDA was signed and pursuant to the terms of the development of the project, the Parent Company paid the ₱160.0 million bid premium representing the right to own 55% of the equity on the joint venture company to be formed with BCDA.

On February 11, 2016, the Parent Company incorporated FCGC Corporation, the entity that will handle the development of the New Clark City (NCC) Project, formerly Clark Green City Project. The bid premium is presented as part of investment properties in the consolidated financial statements (see Note 13). On March 16, 2016, FCGC and BCDA incorporated Filinvest BCDA Clark Inc. (FBCI).



FCGC subscribed 282,880,000 shares at par value amounting to ₱282,880,000. On the other hand, BCDA subscribed 231,000,000 shares amounting ₱231,000,000 and paid its subscription thru the assignment of a 50-year Development and Usufructuary Rights (DUR) over the parcel of land where the NCC project will be developed. FBCI is 55%-owned by FCGCC and 45%-owned by BCDA.

34. Registration with PEZA

On February 13, 2002, the Parent Company, FAC and FILRT were registered with Philippine Economic Zone Authority (PEZA) pursuant to the provisions of RA No. 7916 as the Ecozone Developer/Operator to lease, sell, assign, mortgage, transfer or otherwise encumber the area designated as a Special Economic Zone (Ecozone). The same shall be known as Filinvest Technology Park-Calamba.

Under the registration, the Parent Company shall enjoy 5% preferential tax privilege on income generated from the Ecozone in lieu of the regular income tax rate.

On June 11, 2001, FAC was registered with PEZA as the developer/operator of PBCom Tower not entitled to any incentives. However, IT enterprises which shall locate in PBCom Tower shall be entitled to tax incentives pursuant to RA No. 7916.

On June 6, 2000, FILRT was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, it is also entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On December 15, 2015, PDDC was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, PDDC is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On July 3, 2019, FBCI was registered with PEZA as an ECOZONE developer/operator enterprise of New Clark City Phase I. As a registered enterprise, FBCI is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

The Group is also entitled to zero percent (0%) value-added tax for sales made to ECOZONE enterprises.

35. Notes to Statements of Cash Flows

The Group's noncash activities are as follows:

- a) Land and land developments previously presented under real estate inventories were reclassified to investment properties amounting to ₱1,589.80 million in 2024 (nil in 2023; see Notes 10 and 13).
- b) Investment properties were reclassified to real estate inventories amounting to ₱42.95 million in 2024 (nil in 2023).
- c) Investment properties and property and equipment which remain unpaid amounted to ₱3,082.14 million and ₱93.01 million as of December 31, 2024, respectively; and ₱2,943.85 million and ₱375.57 million as of December 31, 2023, respectively (see Notes 13 and 14).



- d) The Group has remaining unpaid cash dividend amounting to ₱21.41 million out of the dividends declared as of December 31, 2024 and 2023 (see Note 27).
- e) Total accretion of interest on loans and bonds payable amounted to ₱102.79 million and ₱88.08 million, respectively, in 2024; and ₱133.67 million and ₱59.67 million, respectively, in 2023 (see Notes 19 and 20).
- f) In 2024, the Group paid the outstanding balance amounting ₱346.41 million, pertaining to the acquisition of parcels of land (see Note 21). This was reported under "Due to related parties" line item in the statement of financial position as of December 31, 2023.

Changes in liabilities arising from financing activities for the years ended December 31 follows:

	2024			December 31, 2024
	January 1, 2024	Cash flows	Noncash movement	
	(In Thousands)			
Loans payable	₱36,987,927	₱5,184,288	(₱139,571)	₱42,032,644
Bonds payable	37,468,512	(1,699,995)	88,071	35,856,588
Accrued interest	674,345	(5,300,228)	5,160,932	535,049
Dividends payable	21,413	(1,851,159)	1,851,159	21,413
Lease liabilities	6,719,861	(408,907)	619,384	6,930,338
Due to related parties	488,486	102,069	(346,414)	244,141
	₱82,360,544	(₱3,973,932)	₱7,233,561	₱85,620,173

	2023			December 31, 2023
	January 1, 2023	Cash flows	Noncash Movement	
	(In Thousands)			
Loans payable	₱32,849,484	₱4,131,388	₱7,055	₱36,987,927
Bonds payable	41,132,786	(3,604,600)	(59,674)	37,468,512
Accrued interest	830,908	(4,118,521)	3,961,958	674,345
Dividends payable	21,413	(1,536,252)	1,536,252	21,413
Lease liabilities	6,508,490	(372,444)	583,815	6,719,861
Due to related parties	754,264	(265,778)	–	488,486
	₱82,097,345	(₱5,766,207)	₱6,029,406	₱82,360,544

	2022			December 31, 2022
	January 1, 2022	Cash flows	Noncash movement	
	(In Thousands)			
Loans payable	₱32,182,744	₱654,465	₱12,275	₱32,849,484
Bonds payable	36,288,922	4,900,000	(56,136)	41,132,786
Accrued interest	704,994	(3,851,408)	3,977,322	830,908
Dividends payable	19,000	(1,890,560)	1,892,973	21,413
Lease liabilities	6,348,017	(360,103)	520,576	6,508,490
Due to related parties	204,318	549,946	–	754,264
	₱75,747,995	₱2,340	₱6,347,010	₱82,097,345

‘Noncash movement’ column includes amortization of debt issuance costs and interest expense for loans payable and bonds payable, dividend declaration and share in the net income of noncontrolling interest.



36. Subsequent Events

Property-for-Share Swap Transaction with FILRT

On January 24, 2025, FLI's BOD approved the sale of its real property to FILRT under a tax-free property-for-share swap transaction. FLI will transfer its ownership over Festival Mall-Main Mall in favor of FILRT, in exchange for 1,626,003,316 primary common shares of FILRT at an issue price of ₱3.85 per share, with a total value of ₱6.26 billion. The said transaction will allow FLI to increase its equity in FILRT from 51.06% to 63.27%. Upon the Securities and Exchange Commission's approval of the Transaction, FLI and FILRT shall execute a lease agreement for the Property.

Issuance of Certificate of Permit to Offer Securities

On February 18, 2025, FLI received from SEC the Certificate of Permit to Offer Securities for ₱9.0 billion with an over-subscription option of up to ₱3.0 billion worth of peso denominated fixed rate bonds for a maximum aggregate total of ₱12.0, consisting of 5-year bonds due 2030 with interest rate of 6.2916%, 7-year bonds due 2032 with interest rate of 6.6550%, and 10-year bonds due 2035 with interest rate of 6.8312% per annum. This latest bond issuance will be the second tranche out of its ₱35.0 bonds registered in 2023 under the shelf-registered program of the SEC.

Acquisition of Fora Services, Inc. (FOSI)

On September 16, 2024, FLI's Executive Committee, in the exercise of its delegated authority, approved the acquisition of 100% of the outstanding shares in FOSI from Filinvest Hospitality Corporation (FHC), a related party, for an aggregate purchase price of ₱399,800. As of February 26, 2025, the said transaction is yet to be finalized.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Filinvest Land, Inc.
Filinvest Building, 79 EDSA,
Brgy. Highway Hills, Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as “the Group”) 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 February 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group’s management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10465379, January 2, 2025, Makati City

February 26, 2025



FILINVEST LAND, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

FILINVEST LAND, INC.**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS****AVAILABLE FOR DIVIDEND DECLARATION****DECEMBER 31, 2024**

(Amounts in Thousands of Pesos)

Unappropriated Retained Earnings, beginning of reporting period		₱51,893,299
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	5,000,000	
Effect of restatements	—	
Others	—	5,000,000
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,216,488	
Retained earnings appropriated during the reporting period	24,813,773	
Effect of restatements	3,720,934	
Others	221,041	(29,972,236)
Unappropriated Retained Earnings, as adjusted		26,921,063
Add/Less: Net income (loss) for the current year		5,416,725
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	—	
Unrealized fair value adjustment (marked-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 PFRS	—	
Sub-total		—
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (market-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	—	
Sub-total		—

(Forward)

Add: 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	P-	
Reversal of previously recorded fair value adjustment (market-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	-	
Sub-total		-

Adjusted Net Income/Loss **5,416,725**

Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-	
Sub-total		-

Add/Less: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-

Add/Less: 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)	(1,857,043)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(393,226)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(69,001)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total	(2,319,270)	(2,319,270)

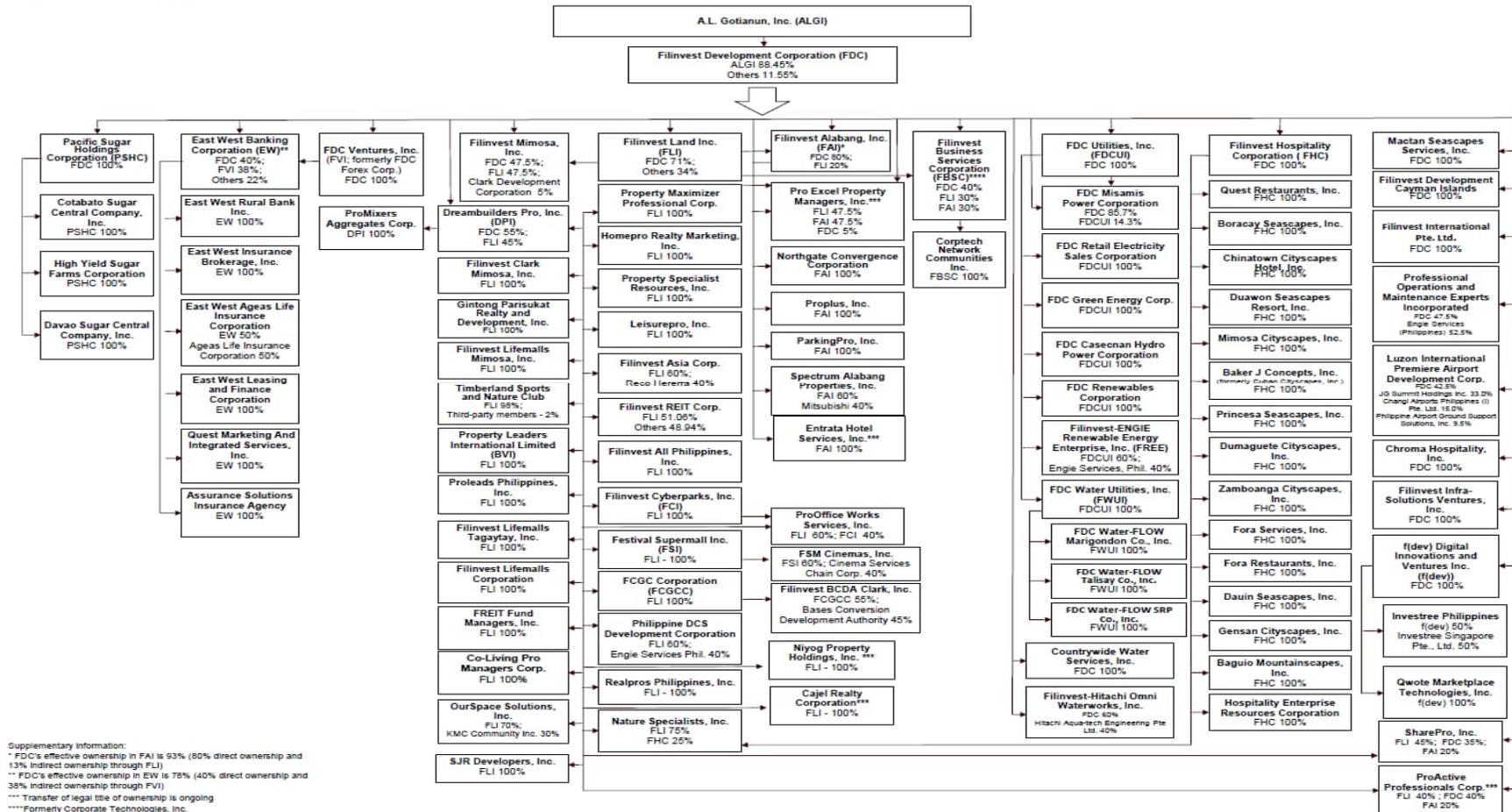
Total Retained Earnings, end of reporting period available for dividend **P30,018,518**



FILINVEST LAND, INC. AND SUBSIDIARIES

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES
DECEMBER 31, 2024**

A.L. GOTIANUN, INC.
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
(As of December 31, 2024)



SCHEDULE A

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS

DECEMBER 31, 2024

Below is the detailed schedule of the Group's financial assets in equity securities as of December 31, 2024:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
(In Thousands Except Number of Shares)				
Financial assets at FVOCI				
Quoted:				
Philippine Long Distance Telephone Company	26,100	₱261	₱261	₱-
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	-
		6,458	6,458	-
Unquoted:				
The Palms Country Club, Inc.	1,000	3,060	3,060	-
Cebu Country Club	1	6,017	6,017	-
		9,077	9,077	-
		₱15,535	₱15,535	₱-

The Group's investment in MERALCO is an unlisted preferred shares acquired in connection with the infrastructure that it provides for the Group's real estate development projects. These are carried at cost less impairment, if any.

SCHEDULE B

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) DECEMBER 31, 2024

As of December 31, 2024, there were no advances to employees of the Group with balances above ₪1.0 million.

All amounts receivable from related parties pertained to items arising in the ordinary course of business.

SCHEDULE C

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2024

Below is the schedule of receivables with related parties which are eliminated in the consolidated financial statements as of December 31, 2024 (amounts in thousands):

		Volume of Transactions	Receivable
Filinvest Clark Mimosa, Inc. (FCMI)	Share in expenses	₱858,328	₱3,933,009
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	919,626	2,962,975
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Share in expenses	1,014,947	1,646,657
Homepro Realty Marketing, Inc. (Homepro)	Share in expenses	14,694	729,590
Filinvest REIT Corp. (FILRT)	Share in expenses	48,070	141,950
Filinvest REIT Corp. (FILRT)	Rent income	18,725	–
Property Maximizer Professional Corp. (Promax)	Share in expenses	(28,526)	123,032
Property Maximizer Professional Corp. (Promax)	Marketing fee expenses	1,503	–
Nature Specialists, Inc. (NSI)	Share in expenses	20,574	110,003
Filinvest BCDA Clark, Inc. (FBCI)	Share in expenses	500	94,902
SJR Developers, Inc. (SDI)	Share in expenses	1,164	45,423
FCGC Corporation (FCGCC)	Share in expenses	(16,811)	32,428
Gintong Parisukat Realty and Development Inc. (GPRDI)	Share in expenses	2,322	29,940
Proleads Philippines, Inc. (PPI)	Share in expenses	337	28,205
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses	278	19,911
Filinvest All Philippines, Inc. (FAPI)	Share in expenses	7,820	16,543
Realpros Philippines, Inc. (RPI)	Share in expenses	163	15,415
Co-Living Pro Managers Corp. (CPMC)	Share in expenses	877	12,204
Property Specialist Resources, Inc. (Prosper)	Share in expenses	305	8,307
Leisurepro, Inc. (Leisurepro)	Share in expenses	200	6,832
Niyog Property Holdings, Inc. (NPHI)	Share in expenses	2,527	5,693
Filinvest Lifemalls Corporation (FLC)	Share in expenses	2,306	2,394
OurSpace Solutions, Inc. (OSI)	Share in expenses	400	855
FREIT Fund Managers, Inc. (FFMI)	Share in expenses	630	853
Cajel Realty Corporation (CRC)	Share in expenses	255	704
Filinvest Asia Corporation (FAC)	Share in expenses	340	340
ProOffice Works Services, Inc. (ProOffice)	Share in expenses	224	319
Property Leaders International Limited (PLIL)	Share in expenses	178	289
Philippine DCS Development Corporation (PDDC)	Share in expenses	86	227
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Share in expenses	2	214
FSM Cinemas, Inc. (FSM Cinemas)	Share in expenses	125	140
Festival Supermall, Inc. (FSI)	Share in expenses	(376)	–
		₱2,871,793	₱9,969,354

The table below shows the movement of the receivables from related parties:

	Balance Beginning of Year	Additions	Collections	Balance at End of Year
Filinvest Clark Mimosa, Inc. (FCMI)	₱3,074,681	₱858,328	₱-	₱3,933,009
Filinvest Cyberparks, Inc. (FCI)	2,043,349	924,450	(4,824)	2,962,975
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	631,710	1,014,949	(2)	1,646,657
Homepro Realty Marketing, Inc. (Homepro)	714,896	14,694	-	729,590
Filinvest REIT Corp (FILRT)	75,155	68,922	(2,127)	141,950
Property Maximizer Professional Corp. (Promax)	150,055	(25,535)	(1,488)	123,032
Nature Specialists, Inc. (NSI)	89,429	20,574	-	110,003
Filinvest BCDA Clark, Inc. (FBCI)	94,402	1,788	(1,288)	94,902
SJR Developers, Inc. (SDI)	44,259	1,164	-	45,423
FCGC Corporation (FCGCC)	49,239	(16,811)	-	32,428
Gintong Parisukat Realty and Development Inc. (GPRDI)	27,618	2,322	-	29,940
Proleads Philippines, Inc. (PPI)	27,868	337	-	28,205
Timberland Sports and Nature Club, Inc. (TSNC)	19,633	278	-	19,911
Filinvest AII Philippines, Inc. (FAPI)	8,723	7,820	-	16,543
Realpros Philippines, Inc. (RPI)	15,252	163	-	15,415
Co-Living Pro Managers Corp. (CPMC)	11,327	877	-	12,204
Property Specialist Resources, Inc. (Prosper)	8,002	532	(227)	8,307
Leisurepro, Inc. (Leisurepro)	6,632	200	-	6,832
Niyog Property Holdings, Inc. (NPHI)	3,166	2,527	-	5,693
Filinvest Lifemalls Corporation (FLC)	88	2,306	-	2,394
OurSpace Solutions, Inc. (OSI)	455	400	-	855
FREIT Fund Managers, Inc. (FFMI)	223	630	-	853
Cajel Realty Corporation (CRC)	449	255	-	704
Filinvest Asia Corporation (FAC)	-	342	(2)	340
ProOffice Works Services, Inc. (ProOffice)	95	224	-	319
Property Leaders International Limited (PLIL)	111	178	-	289
Philippine DCS Development Corporation (PDDC)	141	99	(13)	227
Filinvest Lifemalls Mimosa, Inc. (FLMI)	212	2	-	214
FSM Cinemas, Inc. (FSM Cinemas)	15	125	-	140
Festival Supermall, Inc. (FSI)	376	-	(376)	-
	₱7,097,561	₱2,882,140	(₱10,347)	₱9,969,354

The intercompany transactions between FLI and the subsidiaries pertain to share in common expenses, rental charges, marketing fee and management fee. There were no amounts written off during the year and all amounts are expected to be settled within the year.

SCHEDULE D

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT

DECEMBER 31, 2024

Below is the schedule of long-term debt of the Group:

Title of Issue & Type of Obligation	Amount Authorized by Indenture/Facility Agreement	Current Portion of Long-term Debt (In Thousands)	Long-term Debt (net of Current Portion) (In Thousands)	Interest Rate	No. of Periodic Installment	Maturity Date
Filinvest Land Inc.						
Bonds						
Philippine Peso	P8,925,000	P8,860,822	P—	5.3500%	N/A, Bullet	June 23, 2025
Philippine Peso	1,000,000	994,802	—	5.7100%	N/A, Bullet	August 20, 2025
Philippine Peso	5,000,000	4,960,319	—	4.5300%	N/A, Bullet	December 21, 2025
Philippine Peso	1,764,600	—	1,761,556	4.1800%	N/A, Bullet	May 18, 2026
Philippine Peso	11,430,800	—	11,350,450	6.9829%	N/A, Bullet	June 1, 2027
Philippine Peso	2,975,000	—	2,957,983	6.4100%	N/A, Bullet	June 23, 2027
Philippine Peso	5,000,000	—	4,970,655	5.2600%	N/A, Bullet	December 21, 2027
Bank Loan- Peso						
Local Bank	6,005,000	198,760	5,771,830	Various fixed rates	Various	Various from 2025 to 2031
Local Bank	12,763,000	3,330,464	9,366,153	Various fixed rates	Various	Various from 2025 to 2031
Local Bank	200,000	198,987	—	Various fixed rates	Various	March 5, 2025
Local Bank	270,833	269,758	—	Various fixed rates	Various	January 24, 2025
Local Bank	2,000,000	—	1,994,584	Various fixed rates	Various	September 27, 2026
Local Bank	5,500,000	—	5,471,728	Various fixed / floating rates	Various	Various from 2026 to 2029
Local Bank	4,700,000	497,222	4,173,996	Various fixed / floating rates	Various	Various from 2025 to 2029
Local Bank	1,453,125	1,441,874	—	Various fixed rates	Various	Various within 2025
Sub-total	68,987,358	20,753,008	47,818,935			

Title of Issue & Type of Obligation	Amount Authorized by Indenture/Facility Agreement	Current Portion of Long-term Debt (In Thousands)	Long-term Debt (net of Current Portion) (In Thousands)	Interest Rate	No. of Periodic Installment	Maturity Date
Subsidiaries						
Bank Loan- Peso						
Local Bank	₱663,637	₱163,638	₱496,354	Various fixed rates	Various	Various from 2025 to 2031
Local Bank	4,498,333	545,729	3,924,818	Various fixed rates	Various	Various from 2025 to 2031
Local Bank	3,000,000	–	2,977,549	Various fixed rates	Various	December 27, 2029
Local Bank	985,200	–	978,993	Various fixed / floating rates	Various	Various from 2026 to 2029
Local Bank	230,208	230,208	–	Various fixed rates	Various	January 29, 2025
	₱78,364,736	₱21,692,583	₱56,196,649			

Each loan balance is presented net of unamortized deferred costs. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.0x and minimum interest coverage ratio of 1.0x. These Peso-denominated loans bear floating interest rates, which are repriced quarterly, semi-annually or annually based on either 3-month or 1-year Bloomberg Valuation (BVAL), or Reverse Repurchase Rate (RRP), plus margin, per annum.

Each bond balance is presented net of unamortized deferred costs. The agreements covering the abovementioned bonds require maintaining certain financial ratios including maximum debt-to-equity ratio ranging from 2.0x to 2.5x ; minimum current ratio ranging from 1.0x to 2.0x; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x).

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; and entering into any partnership, merger, consolidation or reorganization.

The Group has complied with these contractual agreements. There was neither default nor breach noted for the year ended December 31, 2024.

SCHEDULE E

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2024

This schedule is not applicable as there are no non-current indebtedness which exceed 5% of total assets as of December 31, 2024.

SCHEDULE F

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS

DECEMBER 31, 2024

The Group does not have guarantees of securities of other issuers as of December 31, 2024.

SCHEDULE G

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK

DECEMBER 31, 2024

Title of issue	Number of shares authorized	As shown under related Statement of Financial Position caption		Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
		Number of shares issued and subscribed	Number of Treasury Shares				
(In Thousands)							
Common Shares	33,000,000	24,470,708	2,086,949	–	16,407,414	58,745	5,917,600
Preferred Shares	8,000,000	8,000,000	–	–	8,000,000	–	–

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2024

	2024	2023
Total Audit Fees	₱4,883,078	₱4,301,812
Non-audit services fees:		
Other assurance services	2,356,798	4,313,320
Tax services	–	–
All other services	–	–
Total Non-audit Fees	2,356,798	4,313,320
Total Audit and Non-audit Fees	₱7,239,876	₱8,615,132

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Filinvest Land, Inc.
Filinvest Building, 79 EDSA,
Brgy. Highway Hills, Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group") 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 February 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10465379, January 2, 2025, Makati City

February 26, 2025



FILINVEST LAND, INC. AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024

(Amounts in Thousands of Pesos)

Ratio	Formula	2024	2023
Current Ratio ⁽¹⁾	Total Current Assets divided by Total Current Liabilities <div style="display: flex; justify-content: space-between;"> <div>Total Current Assets</div> <div>93,742,809</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divide by: Total Current Liabilities</div> <div>33,697,680</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Current Ratio</div> <div>2.78</div> </div>	2.78	2.97
Interest-bearing Debt-to-Equity ratio	Interest-bearing Debt (<i>Sum of Consolidated Loans Payable and Consolidated Bonds Payable</i>) divided by Total Equity <div style="display: flex; justify-content: space-between;"> <div>Interest-bearing Debt</div> <div>77,889,232</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divide by: Equity</div> <div>93,335,512</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Long-term Debt-to-Equity Ratio</div> <div>0.83</div> </div>	0.83	0.79
Debt Ratio	Total Liabilities divided by Total Assets <div style="display: flex; justify-content: space-between;"> <div>Total Liabilities</div> <div>113,544,139</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divide by: Total Assets</div> <div>206,879,651</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Debt Ratio</div> <div>0.55</div> </div>	0.55	0.54
EBITDA to Total Interest Paid	Earnings before Interests and Other Charges, Income Tax, Depreciation and Amortization - EBITDA (<i>net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization</i>) divided by Total Interest Paid <div style="display: flex; justify-content: space-between;"> <div>EBITDA</div> <div>11,469,215</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divide by: Total Interest Paid</div> <div>5,300,228</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>EBITDA to Total Interest Paid</div> <div>2.16</div> </div>	2.16	2.18
Price Earnings Ratio	Closing price divided by Earnings per share <div style="display: flex; justify-content: space-between;"> <div>Closing price ⁽²⁾</div> <div>0.73</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divide by: Earnings per share</div> <div>0.17</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Price Earnings Ratio</div> <div>4.29</div> </div>	4.29	3.69
Quick Asset Ratio	Quick Assets (<i>total current assets less real estate inventories</i>) divided by Current Liabilities <div style="display: flex; justify-content: space-between;"> <div>Total Current Assets</div> <div>93,742,809</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Less: Inventories</div> <div>69,967,114</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Quick Assets</div> <div>23,775,695</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Divide by: Total Current Liabilities</div> <div>33,697,680</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Quick Asset Ratio</div> <div>0.71</div> </div>	0.71	0.71
<i>(Forward)</i>			

Ratio	Formula	2024	2023	
Solvency Ratio	Net Income before Depreciation and Amortization (<i>net income plus depreciation and amortization</i>) divided by Total Liabilities	0.06	0.05	
	Net Income			4,635,736
	Add: Depreciation and Amortization			2,143,097
	Net Income before Depreciation and Amortization			6,778,833
	Divide by: Total Liabilities			113,544,139
	Solvency Ratio	0.06		
Interest Coverage Ratio	Earnings before Interest and Other Finance Charges and Income Tax (EBIT) divided by Interest and Other Finance Charges	2.53	3.03	
	EBIT			9,326,118
	Divide by: Interest and Other Finance Charges			3,685,747
	Interest Coverage Ratio			2.53
Net Profit Margin	Net Income divided by Revenue	0.19	0.19	
	Net Income			4,635,736
	Divide by: Revenue			24,445,898
	Net Profit Margin	0.19		
Return on Equity	Net Income divided by Total Equity	0.05	0.05	
	Net Income			4,635,736
	Divide by: Total Equity			93,335,512
	Return on Equity	0.05		
Asset-to-Equity Ratio	Total Assets divided by Total Equity	2.22	2.17	
	Total Assets			206,879,651
	Divide by: Total Equity			93,335,512
	Return on Equity	2.22		

(1) In computing for the Group's current ratio, current assets include cash and cash equivalents, contracts receivables, contract assets, other receivables, real estate inventories and other current assets and current liabilities include accounts payable and accrued expenses, due to related parties, income tax payable and current portion of loans payable. Determination of current accounts is based on their maturity profile of relevant assets and liabilities.

(2) Closing price at December 31, 2024 and December 31, 2023 is ₱0.73 and ₱0.59, respectively.