COVER SHEET

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SEC Registration Number

F I R S T P H I L I P P I N E H O L D I N G S C O R P O R A T I O N A N D S U B S I D I A R I E S

(Company's Full Name)

6 T H F L O O R , R O C K W E L L B U S I N E S S C E N T E R T O W E R 3 O R T I G A S A V E N U E , P A S I G C I T Y

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

Maria Carmina Z. Ubaña
(Contact Person)

(02) 8631-8024
(Company Telephone Number)

1 2	3 1	1 7 - A	0 5	2 9
Month	*Day*	(Form Type)	*Month*	*Day*
(Fiscal Year)			Annual Meeting	

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

11,854	**₱151,543million**	**₱9,459 million**
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17- A

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

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

2. SEC Identification Number **19073** 3. BIR Tax Identification No. **000-288-698-000**

4. Exact name of registrant as specified in its charter: **FIRST PHILIPPINE HOLDINGS CORPORATION**

5. **Philippines**
Province, Country or other jurisdiction
Of incorporation or organization

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

7. **6th Floor**
Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City
Address of principal office

1604
Postal Code

8. **(632) 8631-8024**
Issuer's telephone number, including area code

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (in millions)
Common shares	462,713,791

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [x] No [ ]

12. Check whether the issuer:
(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):
*[**Note:** Sec. 26 of the CCP deals with reporting of election of directors or officers to the SEC; Sec. 141 with the submission of financial statements to the SEC.]*

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [x] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱11,402 million**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business of the Issuer and Selected Significant Subsidiaries

(1) Business of Issuer

First Philippine Holdings Corporation (the "Parent Company" or "FPH"), which was formed in 1961 with the primary purpose of purchasing and acquiring shares of stocks, bond issues, and notes of Meralco, has grown into a multi-billion company with diversified interests in power generation, real estate development, energy solutions, construction and other services. The Parent Company and its subsidiaries are collectively referred to as the "FPH Group" or "Group" in this report.

The Group's operating businesses are organized and managed according to the nature of the products and services, with each segment representing a strategic business unit that offers different products and services that are offered to different markets. The Group's major business segments are in Power Generation, Real Estate Development, Energy Solutions (including Manufacturing), Construction and Others Services.

The relative contribution of each product or service to total sales/revenues for the year ended December 31, 2024 follows:

(Php in Millions)	Revenues	% Contribution
Sale of electricity	₱137,630	82%
Real estate	14,578	9%
Contracts and services	10,005	6%
Sale of merchandise*	4,897	2%
Total	**₱167,110**	**100%**

**Mainly pertaining to sale of electrical transformers by FPI, a Company under the Energy Solutions sector.*

The Parent Company has no foreign sales.

In the normal course of its operations, the Parent Company enters into transactions with affiliates and subsidiaries on an arm's-length basis.

In the last three years, FPH's significant equity transactions involved common stock buybacks totaling 24,605,153 common stocks at an average cost of ₱60.58 per share equivalent to ₱1,491 million, including additional 872,300 common stock for a total amount of ₱54 million that the Parent Company bought back in 2024. As at December 31, 2024, the Parent Company has bought back a total of 146,935,848 common stocks at an average cost of ₱66.38 per share equivalent to ₱9,754 million of treasury stocks.

In 2021, FPH conducted a tender offer ("Tender Offer") to acquire a minimum of 908,459,782 issued and outstanding common shares of Lopez Holdings representing approximately 20% of its total issued and outstanding common shares and up to a maximum of 1,430,824,156 issued and outstanding common shares representing approximately 31.5% of its total issued and outstanding common shares, from all the shareholders of Lopez Holdings. The Tender Offer Period ran from January 22, 2021 to

March 8, 2021, and with an offer price of ₱3.85 per common share. Following the close of the Tender Offer Period, a total of 712,206,016 common shares of Lopez Holdings representing 15.68% of its total issued and outstanding common shares were tendered, accepted and thereafter purchased by the Parent Company for a total transaction value of ₱2,756 million, which includes transaction costs amounting to ₱14 million.

On April 28, 2021, the Parent Company approved the redemption of the 3,600,000 Series "C" Preferred Shares starting June 2, 2021 in the total amount of ₱1,800 million. As of December 31, 2021, the Parent Company has fully redeemed the outstanding 3,600,000 Series "C" Preferred Shares. The cancellation of said shares has likewise been recorded in the stock and transfer books.

The Parent Company has a total of 130 employees as at December 31, 2024.

The Parent Company does not engage in any speculative derivative transactions.

(2) Business Development and Discussion of Selected Significant Subsidiaries

FPH was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 30, 1961. The extension of its corporate life was approved by the SEC on June 29, 2007 for another 50 years from June 30, 2011. Under its amended articles of incorporation, its principal activities consist of investments in real and personal properties including, but not limited to, shares of stocks, notes, securities and entities in the power generation, real estate development, manufacturing and construction services and others. The common stocks of the Parent Company were listed on and traded in the PSE beginning May 3, 1963.

As at December 31, 2024 and 2023, the Parent Company is 55.66% and 55.55%-owned by Lopez Holdings Corporation (Lopez Holdings), a publicly-listed Philippine-based entity. Majority of Lopez Holdings is owned by Lopez, Inc. The remaining shares are held by various shareholder groups and individuals. The Parent Company discloses in its annual report the principal risks, if any have been noted as significant, associated with the identity of the controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the Parent Company. The risks discussed in the report would affect all shareholders. In any event, the Parent Company has in place policies and safeguards to ensure transparency, disclosure and arm's length transactions, covering related party dealings and against conflicts of interest, among others.

For the year ended December 31, 2024, the Group's consolidated revenues totaled ₱167.1 billion and the consolidated net income amounted to ₱24.7 billion, with ₱14.3 billion of net income attributable to equity holders of the Parent.

Significant transactions and information on certain investees per sector are as follows:

Power Generation

First Gen Corporation (First Gen) was incorporated in the Philippines and registered with the Philippine SEC on December 22, 1998. First Gen and its subsidiaries (collectively referred to as First Gen Group) are involved in the power generation business. On February 10, 2006, First Gen successfully completed the Initial Public Offering (IPO) in the Philippines of 193,412,600 common stocks, including the exercised greenshoe option of 12,501,700 common stocks, at an IPO price of ₱47.00 per share. The common stocks of First Gen are currently listed and traded on the First Board of the PSE. First Gen is considered a public company under Section 17.2 of the Securities Regulation Code (SRC).

In the last three years, First Gen's significant equity transactions are as follows:

On July 1, 2020, the global investment firm KKR acquired 427,041,291 common stocks of First Gen for a total investment value of ₱9.6 billion, representing an approximate 11.9% economic interest, or an 8.4% voting interest in First Gen. These shares represent all of the shares that were tendered by the public to Valorous Asia Holdings ("Valorous"), an entity controlled by KKR investment funds. The acquisition follows the completion of a voluntary tender offer for First Gen's common shares filed with the Philippine SEC last May 26, 2020 by Valorous. The tender offer period ran from May 27 to June 24, 2020 at an offer price of ₱22.50 per share.

Philippines Clean Energy Holding Inc. ("PCEHI"), a subsidiary of Valorous, announced on August 27, 2021 its intent to acquire a minimum of 3.0% up to a maximum of 5.7% of First Gen's total issued and outstanding common stocks through a voluntary and public tender offer. The tender offer period ran from September 1 to September 29, 2021 at an offer price of ₱33.00 per common share.

On October 8, 2021, PCEHI further acquired 262,937,672 common stocks of First Gen for a total investment value of ₱8.7 billion, representing 7.3% economic interest, or a 5.2% voting interest in First Gen. These shares represent all of the shares that were tendered by the public to PCEHI. As at December 31, 2024 and 2023, KKR owns and holds 715,855,363 common stocks of First Gen, representing an approximate 19.9% economic interest, or a 14.1% voting interest in First Gen.

In 2021, First Gen purchased from the open market 51,546,960 Series "G" redeemable preferred stocks for ₱5,572.1 million and 1,339,000 common stocks for ₱38.9 million. The common stock acquisitions made by First Gen via buyback raised the Parent Company's ownership in First Gen from 67.82% as at December 31, 2020 to 67.84% as at December 31, 2021.

On February 17, 2022, First Gen purchased from the open market 1,263,230 Series "G" redeemable preferred stocks for ₱130.4 million.

On May 18, 2022, the BOD of First Gen approved during its board meeting the two-year extension of the buy-back programs from June 15, 2022 to June 14, 2024. The two-year extension covers the: (i) common stock buy-back program covering up to 30.0 million of the First Gen's common stocks; and (ii) Series "G" Preferred Shares buyback program covering up to ₱5.3 billion worth of said redeemable preferred stocks.

On June 14, 2022, the BOD of First Gen approved during its board meeting, in accordance with the terms and condition of First Gen's Series "G" Preferred Shares, the redemption of all outstanding Series "G" Preferred Shares on July 25, 2022 at the applicable redemption values of ₱100.0 and ₱10.0 a share. Since 2022, First Gen has redeemed its outstanding Series "G" Preferred Shares amounting to ₱5,296.6 million.

On May 31, 2024, First Gen's common stock buy-back program was further extended for two years from June 15, 2024 to June 14, 2026.

As at December 31, 2024, the Parent Company directly and indirectly owns 67.84% of the common stocks of First Gen and 100% of First Gen's voting preferred stocks.

First Gen is the largest clean and renewable Independent Power Producer (IPP) in the Philippines, with installed capacity of 3,639.2 MW as at December 31, 2024. All of First Gen's power generation plants are operational and are majority-owned and controlled by First Gen through its subsidiaries. First Gen's consolidated net income amounted to ₱19.3 billion (US$337.8 million) for the year ended December 31, 2024, on revenues of ₱137.3 billion (US$2.41 billion). Net income attributable to equity holders of the parent amounted to ₱14.4 billion (US$252.9 million).

First Gen is engaged in the business of power generation through the following operating companies:

- First Gas Power Corp. (FGPC) which operates the 1,000 MW[1] Santa Rita natural gas-fired power plant;
- FGP Corp. (FGP) which operates the 500 MW[2] San Lorenzo natural gas-fired power plant;
- First NatGas Power Corp. (FNPC), which operates the 420 MW[3] San Gabriel natural gas-fired power flex plant;
- Prime Meridian PowerGen Corporation (PMPC), which operates the 97 MW[4] Avion natural gas-fired power plant;
- Energy Development Corp. (EDC), with an aggregate installed capacity of approximately 1,322.82 MW of geothermal, wind and solar power;
- FG Bukidnon Power Corporation (FG Bukidnon), which operates the 1.6 MW[5] FG Bukidnon mini-hydroelectric power plant;
- First Gen Hydro Power Corp. (FG Hydro) which operates the 132.8[6] MW Pantabangan - Masiway hydroelectric power plants; and
- Fresh River Lakes Corp. (FRLC), which operates the 165 MW[7] Casecnan hydroelectric power plant.

Below are descriptions of significant companies under First Gen:

Gas Portfolio

First Gas Holdings Corporation (FGHC) was incorporated on February 3, 1995 as a holding company for the development of natural gas-fired power plants and other non-power gas related businesses. FGHC is 100.0% owned by First Gen since May 2012. FGHC wholly-owns FGPC, the project company of the 1,000 MW Santa Rita power plant.

- FGPC was incorporated on November 24, 1994 to develop the 1,000 MW combined-cycle natural gas-fired power plant located in Santa Rita, Batangas City within the First Gen Clean Energy Complex (FGEN Clean Energy Complex) started full commercial operations on August 17, 2000. FGPC generates electricity for Manila Electric Company (Meralco) under a 25-year Power Purchase Agreement (PPA). In order to fulfill its responsibility to operate and maintain the power plant, FGPC has an existing agreement with Siemens Energy, Inc. (SEI), a 100.0% subsidiary of Siemens Energy Global GmBH & Co. KG, to act as the operator under an Operations & Maintenance Agreement (O&M Agreement).

Unified Holdings Corporation (Unified) was incorporated on March 30, 1999 as the holding company of First Gen's 60.0% equity share in FGP, the project company of the 500 MW San Lorenzo Power Plant. First Gen owns 100.0% of Unified since May 2012.

- FGP was established on July 23, 1997 to develop a 500 MW combined-cycle natural gas-fired power plant in Santa Rita, Batangas City inside the FGEN Clean Energy Complex. FGP started full commercial operations on October 1, 2002. It is likewise operated by SEI under a separate O&M Agreement and also generates electricity under a separate 25-year PPA with Meralco.

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[1] Nominal Capacity; Santa Rita's installed nameplate capacity as indicated in its ERC operating permit is 1,173.0 MW
[2] Nominal Capacity; San Lorenzo's installed nameplate capacity as indicated in its ERC operating permit is 586.5 MW
[3] Nominal Capacity; San Gabriel's installed nameplate capacity as indicated in its ERC operating permit is 442.85 MW
[4] Nominal Capacity; Avion's installed nameplate capacity as indicated in its ERC operating permit is 130.789 MW
[5] FG Bukidnon's installed nameplate capacity as indicated in its ERC operating permit is 1.6 MW
[6] FG Hydro's installed nameplate capacity as indicated in its ERC operating permit is 132.802 MW
[7] Casecnan's installed nameplate capacity as indicated in its ERC operating permit is 165 MW

AlliedGen Power Corp. (AGPC) was incorporated and registered with the SEC on February 14, 2005. AGPC wholly-owns FNPC, the project company of the 420 MW San Gabriel natural gas-fired flex power plant (San Gabriel). AGPC is a wholly-owned subsidiary of First Gen.

- FNPC is the project company of the San Gabriel that is located adjacent to the existing Santa Rita and San Lorenzo power plants in Santa Rita, Batangas City. The San Gabriel plant is capable of serving both the base load to mid-merit requirements of the Luzon Grid. San Gabriel went into commercial operations in November 2016.

  FNPC entered into a Power Supply Agreement (PSA) with Meralco for the sale and purchase of approximately 414 MW of baseload capacity. The power will be sourced from the San Gabriel plant. The PSA has a term of 6 years using natural gas from the Malampaya field, but, in the event that liquefied natural gas (LNG) becomes available, the term of the PSA could be extended upon mutual agreement with Meralco. The sale of electricity to Meralco commenced on June 26, 2018 following the grant of an Interim Relief by the Energy Regulatory Commission (ERC) for the implementation of the PSA between FNPC and Meralco. The San Gabriel PSA with Meralco expired beginning February 23, 2024. As at March 31, 2025, FNPC is exploring new markets for the 420 MW natural gas-fired power plant and is operating on a merchant basis.

  On July 13, 2022, FNPC received the ERC's Decision dated May 26, 2022 approving its PSA with Meralco. The Decision affirmed the applicable rates under the provisional authority granted by the ERC in its Order dated June 5, 2018, subject to certain modifications and conditions. On July 28, 2022, FNPC submitted its Motion for Reconsideration and Motion to Hold in Abeyance the Execution of the Decision (collectively, "MR"). As at March 31, 2025, FNPC's MR is still pending with the ERC.

PMPC was incorporated and registered with the Philippine SEC on August 8, 2011. PMPC is a wholly-owned subsidiary of First Gen and is the operating company of the 97 MW Avion open-cycle natural gas-fired power plant (Avion) that is likewise located adjacent to the existing natural gas-fired power plants inside the FGEN Clean Energy Complex. The plant went into commercial operations in September 2016. It has received approval from the ERC for a firm ASPA contract with NGCP for 36 MW and a non-firm ASPA contract for another 36 MW. The ASPA was implemented on May 26, 2020 and is effective until May 25, 2025.

LNG Terminal

FGEN LNG Corporation (FGEN LNG) was incorporated and registered with the Philippine SEC on May 22, 2013, and a wholly-owned subsidiary of First Gen, through First Gen LNG Holdings Corporation (LNG Holdings), until February 18, 2025. The Department of Energy (DOE) issued a Permit to Operate and Maintain (POM) to FGEN LNG for the LNG Interim Offshore Terminal (IOT) Project located in the FGEN Clean Energy Complex in Batangas City, Philippines. The POM authorizes the operation of the project for its own-use and is valid for a period of twenty-five (25) years. The project consists of a Multi-Purpose Jetty and an Onshore Gas Receiving Facility representing the initial phase of the FGEN LNG Terminal that was previously declared by the Energy Investment Coordination Council through the DOE as an "Energy Project of National Significance" under Executive Order No. 30.

The IOT Project will enable First Gen to utilize both Malampaya gas and LNG to the 2,000 MW of power plants located at the FGEN Clean Energy Complex. In January 2025, FGEN LNG declared commercial operations after receiving the POM from the DOE.

On February 19, 2025, Tokyo Gas Co., Ltd (Tokyo Gas), Japan's largest natural gas utility company, completed its acquisition of a 20% equity ownership in the company. Tokyo Gas, a company based in Minato, Tokyo, signed a Share Subscription Agreement (SSA) with LNG Holdings in May 2024 for its minority stake in the company. The agreement was tied to a number of conditions precedent, including the procurement of relevant government approvals. Prior to this, Tokyo Gas partnered with First Gen starting in December 2018 for the development and construction of the LNG Terminal, which later broke ground in May 2019.

Under FGEN LNG, First Gen continues to deploy its pioneering efforts in the development of the LNG IOT Project having achieved practical completion in March 2023. As at December 31, 2024, FGEN LNG has successfully completed the tender and receipt of six (6) LNG cargoes since the completion of the terminal. In addition, FGEN LNG recently completed a tender for its 7th cargo, which is due to arrive in April 2025.

Geothermal/Wind/Solar Portfolio

Prime Terracota Holdings Corp. (Prime Terracota) was incorporated on October 17, 2007 as the holding company of Red Vulcan. Red Vulcan was incorporated on October 5, 2007 as the holding company for First Gen's 60.0% voting and 40.0% economic stake in EDC.

On November 22, 2007, First Gen, through Red Vulcan, was declared the winning bidder for the Philippine National Oil Company and EDC Retirement Fund's remaining shares in EDC. Such common shares represented a 40.0% economic interest in EDC while the combined common and preferred shares represented 60.0% of the voting rights in EDC. EDC is the Philippines' largest producer of geothermal energy, operating 12 geothermal power plants in the four geothermal service contract areas where it is principally involved in: (i) the production of geothermal steam for sale to subsidiaries; and, (ii) the generation and sale of electricity through EDC-owned geothermal power plants to NPC and various offtakers.

- *Tongonan, Kananga, Leyte.* EDC operates three geothermal steamfield projects in Leyte, which deliver steam to the 123 MW Tongonan geothermal power plant, and the 578.97 MW[8] Unified Leyte geothermal power plants.
- *Southern Negros, Valencia, Negros Oriental.* EDC operates two geothermal steamfield projects in Southern Negros, which deliver steam to the 172.5 MW[9] Palinpinon geothermal power plants, and the 49.4 MW Nasulo power plant.
- *Bacon-Manito, Albay and Sorsogon*. EDC operates two (2) geothermal steamfields which delivers steam to the 130 MW[10] Bac-Man geothermal power plants, owned by EDC's subsidiary, Bac-Man Geothermal, Inc. (BGI).
- *Mt. Apo, Kidapawan, Cotabato*. EDC operates one (1) geothermal steamfield project, which delivers steam to the 106.99 MW[11] Mindanao geothermal power plants in Mt. Apo.

In addition, EDC owns the 150 MW Burgos Wind Power Plant (Burgos Wind) and the 6.82 MW Burgos Solar Project (Burgos Solar) both situated in Burgos, Ilocos Norte. As at December 31, 2024, EDC likewise has a total of 5.17 MW in solar rooftop projects.

In September 2017, following the successful tender offer conducted by Philippines Renewable Energy Holdings Corporation ("PREHC") for EDC common stocks, First Gen's total economic stake in EDC was reduced from 50.6% to 41.6%, of which 40.0% is held through Red Vulcan Holdings Corporation (Red Vulcan) while the remaining 1.6% is held through First Gen directly and Northern Terracotta Power Corporation (Northern Terracotta).

[8] Nominal Capacity; Unified Leyte's combined installed nameplate capacities as indicated in its ERC operating permits is 572.83 MW

[9] Nominal Capacity; Palinpinon 2's installed nameplate capacity as indicated in its ERC operating permit is 60 MW which does not include the 20 MW-Nasuji plant

[10] Nominal Capacity; Bac-Man 1's aggregated rated capacity is 130 MW and the aggregated dependable capacity is 140 MW as indicated in its Provisional Authority to Operate (PAO) issued by the ERC in November 2024. On March 19, 2025, the ERC issued the PAO for the Palayan Binary Power Plant (PBPP) with a rated capacity of 35.7 MW and a dependable capacity of 28.0 MW. As of March 31, 2025, the total rated capacity for Bac-Man is 165.7 MW and the total dependable capacity is 168.0 MW.

[11] Nominal Capacity; Mindanao 1's installed nameplate capacity as indicated in its ERC operating permit is 54.24 MW; Mindanao 2's installed nameplate capacity as indicated in its ERC operating permit is 54.24 MW; Mindanao 3's installed nameplate capacity as indicated in its ERC operating permit is 3.669 MW.

As at December 31, 2017, First Gen's total economic stake in EDC was 41.6%, of which 40.0% is held through Red Vulcan while the remaining 1.6% was held directly through First Gen and Northern Terracotta. Moreover, First Gen held a 61.1% voting interest in EDC, of which 60.0% is held through Red Vulcan.

On November 5, 2018, EDC completed its Delisting by acquiring a total of 2.0 billion common stocks, representing approximately 10.7% of EDC's outstanding voting common stocks through a tender offer. On December 5, 2018, the BOD of EDC approved the issuance of additional 326.3 million non-preemption common stocks to PREHC out of its existing unissued capital stock due to PREHC's capital infusion.

As at December 31, 2024, First Gen's total economic stake in EDC is 45.8%, of which 44.0% is held through Red Vulcan, while the remaining 1.8% is held directly through First Gen and Northern Terracotta. Moreover, First Gen holds a 65.0% voting interest in EDC, of which 63.9% is held through Red Vulcan.

Hydro Portfolio

- *FG Bukidnon*

  FG Bukidnon, a wholly-owned subsidiary of FGRI, was incorporated on February 9, 2005. Upon conveyance of First Gen in October 2005, FG Bukidnon took over the operations and maintenance of the FG Bukidnon Hydroelectric Power Plant. The run-of-river plant consists of two 800-kW turbine generators that use water from the Agusan River to generate electricity. It is connected to the local distribution grid of the Cagayan Electric Power & Light Company, Inc. via the National Grid Corporation of the Philippines (NGCP).

- *FG Hydro*

  FG Hydro was incorporated on March 13, 2006 as a wholly-owned subsidiary of First Gen. On September 8, 2006, FG Hydro emerged as the winning bidder for the 100 MW Pantabangan and the 12 MW Masiway Hydroelectric Power Plants (PMHEPP) that was conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM). The 112 MW PMHEPP was transferred to FG Hydro on November 18, 2006, representing the first major generating assets of NPC to be successfully transferred to the private sector by PSALM. Subsequently, First Gen's board of directors approved the sale of 60% of FG Hydro to EDC. As a result of the divestment, First Gen's direct voting interest in FG Hydro was reduced to 40%. Following the developments in EDC's shares in 2017 and 2018, First Gen's effective economic stake in FG Hydro is equivalent to 67.5% as of December 31, 2024.

- *FRLC*

  FRLC was incorporated and registered with the Philippine SEC on February 23, 2022. The company is a wholly-owned subsidiary of First Gen through FGen Vibrant Blue Sky Holdings, Inc. (Vibrant Blue Sky). In October 2022, the company participated in the Privatization of the 165 MW Casecnan Hydro Electric Power Plant (CHEPP) located in Pantabangan, Nueva Ecija. The bidding process covers the sale of the power generation facilities of the Casecnan Multipurpose Irrigation and Power Project and the operation and maintenance of the related non-power components and transbasin facilities. In May 2023, the company offered the highest bid amounting to $526 million and was declared as the winning bidder for the sale of the said asset that is co-owned by PSALM and the National Irrigation Administration (NIA). On February 25, 2024, the Deed of Absolute Sale of CHEPP was signed and executed by PSALM, NIA, and FRLC. Subsequently, on February 26, 2024, CHEPP was officially turned over to FRLC.

On April 8, 2024, the DOE approved FRLC's application for registration as an RE Developer and signed the RE Contract with FRLC for CHEPP. As a result, FRLC is now subject to a 10% statutory income tax rate on its RE operations as an RE Developer in 2024.

FRLC and NIA entered into an O&M Agreement, with the conformity of PSALM, for NIA to manage, operate, maintain, and rehabilitate the Non-Power Components of CHEPP for 25 years starting February 25, 2024, renewable for another 25 years under the terms and conditions as may be mutually agreed upon by both parties. In addition, FRLC, PSALM, and NIA entered into an O&M Agreement for FRLC to operate, maintain, preserve, repair, and rehabilitate the Transbasin Facilities for 25 years from February 25, 2024, renewable for a period in accordance with conditions as may be agreed upon by all parties.

Other services

First Gen Energy Solutions, Inc. (FGES) was incorporated and registered with the Philippine SEC on November 24, 2006. As a wholly-owned Retail Electricity Supplier (RES) subsidiary of First Gen, FGES markets and sells electricity generated by First Gen and EDC to address the power requirements of contestable customers. In addition, it provides value added services relevant to its core business. FGES holds a RES license with validity until September 29, 2028, which was approved by ERC on December 13, 2023. FGES' RES business has a total contracted demand of 18.22 MW from 15 contestable customers as at December 31, 2024.

FGES has agreements with various customers to provide for the supply of electricity at an agreed price on a per kilowatt-hour (kWh) basis to contestable customers. FGES has various Retail Supply Contracts (RSCs) and Green Energy Option Program (GEOP) supply contracts with contestable customers ranging from a contract period of 2 to 5 years. Under the respective RSCs and GEOP supply contracts, FGES charges the customer for both the basic energy, retail supply and pass through charges, as may be applicable.

Real Estate Development

The following are FPH's significant investments in the Real Estate sector:

Rockwell Land Corporation (Rockwell Land)

Rockwell Land is a premier property developer for residential and commercial projects that cater to the high-end and upper-mid markets mainly in Metro Manila and emerging cities in Cebu, Bacolod, Laguna, Bulacan, Batangas and Pampanga.

Rockwell Land was incorporated on August 11, 1975 as First Philippine Realty and Development Corporation, which was later on changed to Rockwell Land Corporation on February 23, 1995. On September 27, 1996, the Philippine SEC approved the increase in capital stock of Rockwell Land from ₱1.0 million to ₱6.0 billion with three major shareholders subscribing to the increase, namely: Meralco, FPH and Lopez Holdings. During the increase, Rockwell Land also amended its articles of incorporation to include the increase in capital stock and the increase in number of directors from five (5) to eleven (11). On May 4, 2000, the Philippine SEC approved the articles of merger of Rockwell Land with Hubbard Realty Holdings Inc., Farragut Realty Holdings Inc., Mc Pherson Square, Inc., and Foggy Bottom, Inc., with Rockwell Land as the surviving entity. In July 2008, the Philippine SEC approved Rockwell Land's increase in authorized capital stock from ₱6.0 billion divided into 6,000,000,000 common stocks with ₱1.00 par value per share to ₱9.0 billion divided into 8,890,000,000 common stocks with the same par value, and 11,000,000,000 preferred stocks with a ₱0.01 par value per share with existing shareholders subscribing to the increase in capital. In August 2009, Lopez Holdings sold its share in Rockwell Land to FPH therefore leaving with only two (2) major shareholders, namely Meralco and FPH.

On February 28, 2012, the Philippine SEC approved the amendment to the First Article of the Articles of Incorporation of Rockwell Land changing its name from “Rockwell Land Corporation” to: “ROCKWELL LAND CORPORATION doing business under the name and style of Power Plant Mall; Power Plant Cinemas; and Edades Serviced Apartments”.

On February 27, 2012, the board of directors of Meralco approved the declaration of its 51% ownership in Rockwell Land as property dividend in favor of common stockholders of record as of March 23, 2012, except for foreign common shareholders who were paid the cash equivalent of the property dividend. Consequently Rockwell Land became a public company having more than 200 shareholders. The property dividend was paid on May 11, 2012 wherein FPH received property dividends from Meralco in the form of 125,079,016 common stocks of Rockwell Land. On the same date, Rockwell Land acquired 126,620,146 common stocks from Meralco, representing the foreign shareholders’ entitlement from the property dividend distribution, at ₱1.46 per share. Rockwell Land was listed in the PSE on May 11, 2012.

On June 28, 2012 and July 27, 2012, FPH purchased additional shares of Rockwell Land from Beacon Electric Asset Holdings, Inc. and San Miguel Corporation, respectively.

As at December 31, 2024, FPH owns 86.58% of Rockwell Land.

For the year ended December 31, 2024, Rockwell Land’s net income amounted to ₱4.1 billion on revenues of ₱20.1 billion.

Below are descriptions of significant companies under Rockwell Land:

Rockwell Integrated Property Services, Inc. (RIPSI), a wholly owned subsidiary of Rockwell Land, was incorporated on February 19, 1999 to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities. To date, RIPSI manages twenty (24) properties. These properties consist of the various Rockwell residential condominium buildings located in the Rockwell Center in Makati City, The Grove in Pasig City, Tribeca and East Bay Residences in Muntinlupa, The Vantage at Kapitolyo and 32 Sanson in Cebu City, as well as the townhouse and mid-rise developments of Alvendia in San Juan, and 205 Santolan and 53 Benitez in Quezon City.

Rockwell Primaries Development Corporation (“Primaries”), a wholly owned subsidiary of Rockwell Land, was incorporated in September 2012 to primarily cater to the broader market under a second brand “Rockwell Primaries”. The subsidiary envisions itself to be the preferred developer in terms of providing exceptional and quality living at a more affordable price. Primaries commenced operations in mid-2013 with the launch of its first project, 53 Benitez, located in Quezon City. Its second project, The Vantage at Kapitolyo in Pasig City, was launched in 2015. 53 Benitez was completed in 2016, while The Vantage at Kapitolyo was completed in 2023.

Stonewell Property Development Corporation, a wholly owned subsidiary of Rockwell Land, was incorporated in September 2012 to develop socialized and economic housing projects for Rockwell Land.

Rockwell Performing Arts Theater Corporation (RPATC), formerly Primaries Properties Sales Specialist Inc. (PPSSI), a wholly owned subsidiary of Rockwell Land, was incorporated in November 2012 to act as the sales and marketing arm of Primaries. Operations were discontinued in 2017. In July 2019, PPSSI was renamed as Rockwell Performing Arts Theater Corporation to manage operations of theaters and performance, concert, opera, music and other forms of entertainment.

Rockwell Hotels & Leisure Management Corporation (Rockwell Hotels), a wholly owned subsidiary of Rockwell Land, was incorporated on June 20, 2013 for the management of hotel and resort operations. It currently manages the operations of Aruga Serviced Apartments at the Edades Tower and Garden Villas, Makati City.

Retailscapes Inc., a wholly owned subsidiary of Rockwell Land, was incorporated in November 2014 to develop and operate pocket retail projects of the Company. Its first project, the Santolan Town Plaza was launched with the opening of the cinemas and some retail stores last December 2017.

Rockwell Primaries South Development Corporation (Rockwell Primaries South), formerly ATR KimEng Land, Inc., was 60% owned by Rockwell Primaries Development Corporation (Rockwell Primaries) and 40% owned by ATR Holdings, Inc. and Dragon Eagle International Limited. On July 29, 2019, the Parties entered into a Share Sale and Purchase Agreement wherein Rockwell Primaries bought the 40% shares owned by ATR Holdings, Inc and Dragon Eagle International. Rockwell Primaries South will complete the development of the undeveloped portion (61,787 square meters) of the Tribecca Private Residences located along the East Service Road in Muntinlupa City. The new development was launched in October 2016 as East Bay Residences, with The Fordham, the first of the five towers to be developed. The second tower, Larsen, was launched in December 2019.

Rockwell MFA Corporation (Rockwell MFA), a joint venture between Rockwell Land and Mitsui Fudosan (Asia) Pte. Ltd. (Mitsui) through SEAI Metro Manila One, Inc., was incorporated in the Philippines and registered with the Philippine SEC on August 22, 2017. Rockwell Land owns 80% of the business. Its first project, The Arton West, was launched in July 2017, while The Arton North and Arton East projects were launched last March 2018 and July 2021, respectively.

Rockwell Carmelray Development Corporation (Rockwell Carmelray or RCDC), formerly Carmelray Property Holdings Inc., is a joint venture between Rockwell Land and by the Yulo family's Carmelray Property Holdings and San Ramon Holdings, which was incorporated in the Philippines and registered with the Philippine SEC on July 5, 2018. On August 8, 2018, Rockwell Land purchased 14.7% interest in RCDC, equivalent to 450,000 common shares. On November 20, 2019, it subscribed to an additional 240.9 million Class A redeemable preferred shares, representing 37.6% of the total issued and outstanding shares of RCDC. As a result, Rockwell Land owns 52.16% of the business starting December 2019. The first phase of the project, Rockwell South at Carmelray, was launched last September 2019. As at December 31, 2024, Rockwell Land owns 70% of Rockwell Carmelray. The increase in Rockwell Land's ownership resulted from Rockwell Carmelray's redemption of 205,393,902 preferred stocks, at the redemption price of ₱10.00 per share, amounting to ₱2,054 million held by the Yulo family and San Ramon Holdings from 2020 to 2023.

Rockwell Land also has a 75.0% ownership in Rockwell Leisure Club Inc. (RLCI). RLCI is a non-profit premier leisure club created to complement Rockwell Land's exclusive lifestyle concept. Opened in December 1999, the Rockwell Club offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

On November 6, 2020, Rockwell Land subscribed to 40% of the outstanding capital stock of Rockwell Nepo Development Corporation (RNDC), formerly Nepwell Property Management Inc. Rockwell Nepo is a joint venture (JV) between Rockwell Land and T.G.N Realty Corporation, which was incorporated in the Philippines and registered with the Philippine SEC on February 20, 2019. The JV company is developing a 3.6 hectares of land in Angeles City, Pampanga into a mixed-use development with residential, commercial and retail components. On April 16, 2021, RNDC's board of directors, during the special meeting, approved the redemption of 55,500,000 preferred stocks from T.G.N Realty Corporation at the redemption price of ₱1.00 per share amounting to ₱55.0 million. As at December 31, 2023, Rockwell Land owns 38.49% of RNDC. On January 15, 2024, Rockwell Land subscribed to an additional 1,488,253,578 shares from the unissued portion of the existing authorized capital stock of RNDC, consisting of 16,878,344 common stocks and 1,471,375,234 redeemable preferred stocks for an aggregate subscription price of ₱1,488.3 million. As partial payment for the subscription, Rockwell Land paid ₱190.0 million in cash to RNDC which was paid upon the execution of the agreement. As a result, Rockwell Land's ownership interest in RNDC increased from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, Rockwell Land's previously held interest of 38.49% was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱65 million.

In December 2021, Rockwell Land entered into a JV Agreement with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Kasambagan, Cebu into residential condominiums and commercial, retail and office components through 8 Promoveo Land, Inc. (PLI), and with the view of jointly preserving and continuing IPI's long-standing legacy in the market and Rockwell Land's brand of creating communities of unparalleled quality. On April 7, 2022, SEC approved the increase in authorized capital stock of PLI and on May 18, 2022, Rockwell Land subscribed to an additional 628,410,000 shares. PLI was subsequently renamed to Rockwell IPI Development Corporation (RIDC). As at December 31, 2024, Rockwell Land owns 50% of RIDC.

Rockwell GMC Development Corporation (RGDC) is a joint venture between Rockwell Land and the General Milling Corporation, which was incorporated in the Philippines and registered with the Philippine SEC on June 19, 2023. Upon incorporation, Rockwell Land subscribed up to 4.1 billion redeemable preferred stocks and 12 million common stocks, equivalent to 60% of the business.

<u>*First Philippine Industrial Park, Inc. (FPIP)*</u>
FPH holds a 70% stake in FPIP, with the remaining 30% owned by Sumitomo Corporation. FPIP was formed on November 28, 1996 primarily to purchase, acquire, own, hold and subdivide industrial land. It is tasked to develop and manage an industrial estate for sale or lease to various manufacturing or service-oriented entities. FPIP is registered with Philippine Economic Zone Authority (PEZA) pursuant to Republic Act (R.A.) 7916, as amended, as an Ecozone Developer/Operator. Under FPIP are FPIP Property Developers and Management Corporation (FPDMC), FPIP Utilities Incorporated (FUI), Grand Batangas Resort Development, Inc. (GBRDI), First Industrial Township, Inc. (FITI), First Industrial Township Water, Inc. (FITWI) and FPIP Commercial Properties, Inc. (FCPI).

- FPDMC was incorporated on May 30, 2000 to engage in the operation, management, lease and sale of industrial facilities such as Ready Built Factories (RBF), warehouses and similar properties inside the FPIP park.

- FUI was incorporated on June 6, 2000 to engage in the supply of water and provision of waste management and sewage treatment facilities to the occupants of the FPIP ecozone.

- GBRDI was incorporated on March 9, 2011 to engage in developing, operating and managing lodging, hotel and accommodation facilities.

- FITI was incorporated on November 4, 2014 to purchase, acquire, own, hold and subdivide industrial land of First Industrial Township – Special Economic Zone (FIT-SEZ).

- FITWI was incorporated on November 25, 2014 to carry on the business of supply and distribution of water including but not limited to water, waste management, and sewage treatment facilities to the occupants of the FIT-SEZ.

- FCPI was incorporated on April 29, 2024 to purchase, acquire, lease, hold, sell or deal in land and real estate, as well as real or personal property.

For the year ended December 31, 2024, FPIP's consolidated net income amounted to ₱69.1 million on revenues of ₱1.5 billion.

First Philippine Realty Corporation (FPRC), *formerly Inaec Development Corporation*, was incorporated on January 9, 2002 primarily to lease, own, acquire, or sell real and personal properties. FPRC is a wholly-owned subsidiary of the Parent Company. It started its commercial operations on

March 1, 2003. For the year ended December 31, 2024, FPRC generated total revenues of ₱127.8 million.

FPH's wholly-owned subsidiary, First Philippine Properties Corporation (FPPC), was incorporated on August 21,1998 primarily to acquire, lease, develop and manage any land and real estate. FPPC owns various subsidiaries which are involved in the same nature of business. In 2015, FPPC acquired, through its wholly-owned subsidiaries namely: First Industrial Township, Inc. (FITI), First Industrial Township Utilities, Inc. (FITUI) and First Industrial Township Water, Inc. (FITWI) (collectively as FIT group or FIT), properties located at the Philtown Industrial Park, Tanauan, Batangas, consisting of land and improvements with a total area of 464,961 square meters. In April 2018, FPPC acquired 100% of the outstanding common stocks of Legacy Homes, Inc., also a property development company, making it a wholly owned subsidiary. In July 2018, all investments in the shares of stocks of two of the companies under FIT group, namely FITI and FITWI, were sold to FPIP. For the year ended December 31, 2024, FPPC generated consolidated revenues of ₱218.5 million.

Energy Solutions

On February 9, 2006, the BOD of the Parent Company approved the transfer of the Parent Company shares in the following subsidiaries: Philippine Electric Corporation (Philec), First Philec, Inc. (FPI) (*formerly First Electro Dynamics Corporation or FEDCOR*), First Sumiden Circuits, Inc. (FSCI) and First Sumiden Realty, Inc. (FSRI), under First Philippine Electric Corporation (First Philec). Consolidated net income of First Philec for the year ended December 31, 2024 amounted to ₱1.1 billion, with revenues from the Electrical Utilities (EU) sector amounting to ₱4.9 billion. First Philec's manufacturing operations are conducted through the following subsidiaries:

- Established on October 2, 1991, FPI is engaged in the manufacture and sale of dry-type and fluid-immersed transformers and also offers packaged substation, project, technical services and other power solutions. On September 22, 2014, FEDCOR amended its Articles of Incorporation to change its name to FPI. Through the years, FPI has evolved from manufacturing of transformers to venturing into new businesses focusing on Non-Transformer products and also expansions beyond the Philippine market through its export sales. For the year ended December 31, 2024, FPI reported a net income of ₱1.1 billion on revenues of ₱4.9 billion.

- On May 25, 2004, First Philec Manufacturing Technologies Corporation (FPMTC) was established to develop, design, manufacture, and market electronic and electrical products and to cater to various customers including, but not limited to, the renewable market. For the year ended December 31, 2024, FPMTC reported a net loss of ₱0.7 million.

  On October 24, 2007, First Philec established First Philec Solar Corporation (FPSC), a joint venture with SunPower Philippines Manufacturing Ltd. (SPML) that is engaged in the production of solar-grade silicon wafers that form the core in the production of high-efficiency solar cells and panels for solar energy generation. In 2012, First Philec and FPSC initiated arbitration proceedings against SPML with the International Court of Arbitration of the International Chamber of Commerce (ICC). In July 2015, First Philec and FPSC received a Second Partial Award from the ICC where SPML was ordered to purchase First Philec's shares in FPSC for the price of US$23.2 million by August 13, 2015 and within 14 days of the completion of the share transfer, to pay FPSC the net sum of US$25.2 million. However, SPML has filed several applications with the Hong Kong and Philippine courts which First Philec and FPSC have responded to.In July 2016, First Philec and FPSC have settled their disputes with SPML and that, as a result, they have together with SPML filed the appropriate Consent Order, motions or manifestation and shall do all such things as are reasonably necessary in order to discontinue, terminate or dismiss (as the case may be) all the legal proceedings that are pending between them in Hong Kong and in the Philippines. Under the terms of their settlement, SPML has paid FPSC US$25.2 million (which is equal to the full amount that SPML was ordered to pay FPSC in the arbitration) and First Philec US$25.3 million, and has transferred all of SPML's shares of stock in FPSC to First Philec.

- First PV Ventures Corporation (First PV) was incorporated in the Philippines on December 11, 2008. Its primary purpose is to invest in, purchase or dispose of real and personal property, specifically in the businesses of solar power and generation and other alternative sources of energy and manage the general businesses of all its operating units. First PV owns 70% interest in First Philec Nexolon Corporation (FPNC) with the remaining 30% owned by a Korean company, Nexolon Co. Ltd (Nexolon). In 2012, First PV and FPNC initiated arbitration proceedings against Nexolon with the ICC. The arbitral tribunal rendered the final award in October 2014 which required Nexolon to pay damages and pre-award interest to FPNC in the amount of US$24.8 million and a put option price to First PV in the amount of ₱2.09 billion. To date, no payments have been made on the award by Nexolon which is reported to be in rehabilitation proceedings. First PV and FPNC have filed their appropriate claims in Korean rehabilitation courts.

FP Island Energy Corporation (FP Island) was incorporated in the Philippines and registered with Philippine SEC on November 11, 2016 to engage in the generation and/or supply of electricity using conventional or renewable energy facilities or a hybrid system, to provide off-grid electrification as well as community and livelihood development in rural areas, and to engage in the transmission or general distribution of electricity. FP Island’s microgrids project under the Qualified Third Party (QTP) program of the DOE began commercial operations on the islands of Haponan and Lahuy in Caramoan and Quinasalag in Garchitorena on December 10, 2021. FP Island is 100% owned by the Parent Company. For the year ended December 31, 2024, revenues and net loss of FP Island amounted to ₱62.3 million and ₱11.4 million, respectively.

Pi Energy Inc. (Pi Energy) was incorporated in the Philippines and registered with Philippine SEC on April 20, 2018 to carry on the general business of generating, transmitting and/or distributing energy delivered from renewable, sustainable, and clean energy sources, and other viable source of power and trading the electric power to power corporations, public electric utilities, electric cooperatives, and retail customers. In 2021, Pi Energy partnered with specialist investment and development firm Climargy Inc. to develop energy efficiency and conservation (EE&C) solutions for business establishments. The signed agreement focuses specifically on developing EE&C projects mainly for commercial and industrial (C&I) companies. Pi Energy is 100% owned by the Parent Company. For the year ended December 31, 2024, revenues and net income of Pi Energy amounted to ₱736.9 million and ₱38.9 million, respectively.

Construction and Other Services

The following are FPH’s investments in the Construction and Other Services segment:

First Balfour, Inc. (First Balfour) is the construction company within the Group. Under First Balfour are ThermaPrime Drilling Corporation (Thermaprime), Therma One Transport Corp (Therma One), Torreverde Corp., and First Balfour Management Technical Services, Inc. (FBMTSI). Under Therma One is its subsidiary, Thermafina Towage, Inc. (Thermafina).

- First Balfour is engaged in construction of power plants, transmission lines, public infrastructure and electro-mechanical works for industrial plants and related activities. First Balfour is also engaged in the rental of heavy equipment. FPH holds a 100% stake in First Balfour.

- Thermaprime is involved in providing services for the drilling and workover of exploratory or development wells.

- Therma One was incorporated on March 27, 2015 to engage in the hauling, trucking and delivery of all kinds of goods, materials and, in relation therewith, the renting and leasing of trucks, tractors, vans, buses, trailers and other forms of motor vehicles, and light and heavy equipment for use in transportation, construction and related services.

- Torreverde Corp. was incorporated on January 14, 2016 to engage in the business of quarrying and the production of rocks, stones and other related products, and to search and prospect quarrying sites and produce, develop and crush concrete aggregates and other related products and transport for trading and distribution.

- Thermafina, a subsidiary of Therma One, was incorporated on June 6, 2022 to engage in domestic shipping business/ operation, particularly in the provision and operation of tug vessels, to carry out towage and marine services, and render support to floating storage and regasification units and LNG carrier vessel movements in relation to LNG storage and/ or a regasification terminal.

For the year ended December 31, 2024 the consolidated net income of First Balfour group amounted to ₱760.7 million on revenues of ₱14.3 billion.

Asian Eye Institute, Inc (AEI) was incorporated on August 14, 2000. AEI is a world-class eye institute that serves local and foreign patients for a full range of specialized medical services, delivered in the safety and comfort of modern facilities, and using some of the most advanced technology available in the world. On June 8, 2016, AEI increased its authorized capital stock from 200.0 million to 450.0 million. The Parent Company paid and subscribed to a proportionate increase of 11.2 million and to the shares waived by the other AEI stockholders amounting to ₱179.8 million. In 2017, the Parent Company bought additional 890,000 AEI shares from its existing stockholders for a total purchase price of ₱115.7 million. In November 2018, the Parent Company further purchased 40,000 AEI shares from its existing stockholders for a total purchase price of ₱2.6 million. In 2024, the Parent Company made additional deposits for future stock subscription amounting to ₱70 million. The Parent Company's ownership in AEI is 82.78% in 2024 and 2023. For the year ended December 31, 2024, revenues and net loss of AEI amounted to ₱697.0 million and ₱117.0 million, respectively.

Pi Health Inc. (Pi Health) was incorporated in the Philippines and registered with SEC on May 7, 2018 to engage in providing medical solution services covering (i) contract research and development activities and (ii) the conduct and carrying on the business of formulation, design, development, manufacturing, importing, buying, selling, distributing and marketing all kinds of medical products of every kind and description. Pi Health is 100% owned by the Parent Company. For the year ended December 31, 2024, revenues and net loss of Pi Health amounted to ₱217.8 million and ₱18.6 million, respectively.

Pi Health Manufacturing and Distribution Services Inc (PHMDSI) was incorporated on March 18, 2022 to engage in providing medical solution services covering the conduct and carrying on the business of formulation, design, development, manufacturing, importing, buying, selling, distributing and marketing, all kinds of medical products, drugs or medicines, medical devices, equipment and instruments, and other related products of every kind and description. PHMDSI is 100% owned by the Parent Company. On March 8, 2024, the board of directors of PHMDSI approved the plan to cease the business operations of the company effective April 30, 2024 due to serious business losses and to avoid incurring further business losses. For the year ended December 31, 2024, revenues and net loss of PHMDSI amounted to ₱12.7 million and ₱18.1 million, respectively.

The Medical Services of America (Philippines) Inc. (MSA-Philippines), originally a wholly owned subsidiary of Medical Services of America, Inc., was incorporated and registered with the Philippine SEC on August 17, 2021. The primary purpose of MSA-Philippines is to undertake the installation and operation of specialized medical equipment and devices in hospitals, clinic and patients who wish to avail of said services in their homes, for the purpose of providing complete respiratory therapy, including pulmonary functions and cardio diagnostic studies and tests to be conducted on physician's orders; to import, distribute, sell on wholesale basis and/or rent specialized medical equipment to hospitals, clinics and physicians who require the same for their patients. On December 9, 2022, FPH signed a Share Sale and Purchase Agreement with Medical Services of America, Inc. to acquire 100% ownership in MSA-Philippines. On May 25, 2023, FPH completed the acquisition for a total acquisition price of ₱420.8 million. The acquisition is expected to provide FPH a platform to add new service offerings to what MSA-Philippines offers now in the healthcare industry. MSA-Philippines is 100% owned by the Parent Company. For the year ended December 31, 2024, revenues and net income of MSA-Philippines amounted to ₱283.5 million and ₱38.9 million, respectively.

First Industrial Science and Technology College, Inc., *formerly First Industrial Science and Technology School, Inc.* (First College) was incorporated in the Philippines and registered with Philippine SEC on July 13, 2017 to engage in the establishment of an educational institution or institutions offering programs or courses of study in pre-school and grades K to 12 curricula, as well as technical or vocational courses, certificate programs and alternative systems in education. In 2021, the Philippine SEC approved the change in corporate name and primary purpose to include college and post-graduate curricula in the programs offered. First College is 100% owned by the Parent Company. For the year ended December 31, 2024, revenues and net loss of First College amounted to ₱34.6 million and ₱59.1 million, respectively.

Infopro Business Solutions, Inc. (IBSI) was incorporated in the Philippines and registered with the Philippine SEC on December 20, 1999, to engage primarily in the management, supervision and control of business enterprises engaged in all kinds of operations and transactions, and to provide support services to any company or undertaking. IBSI is 66.92% owned by the Parent Company. For the year ended December 31, 2024, revenues and net income of IBSI amounted to ₱411.5 million and ₱10.9 million, respectively.

Established on March 30, 1967 primarily to service the fuel transport needs of Meralco and the oil refineries in Batangas, First Philippine Industrial Corporation (FPIC) has the country’s largest commercial petroleum pipeline. FPIC was originally 60% owned by the Parent Company with Shell Petroleum Co., Ltd (UK) (“Shell”) owning the remaining 40%. FPIC has a pipeline concession which was granted under R.A. 387, otherwise known as the Petroleum Act of 1949, as amended. The concession is for an extended period of 50 years until July 23, 2017. Further, the DOE granted a non-exclusive and non-transferable permit to FPIC to construct and operate a liquid or gas pipeline from Batangas to Sucat and from Sucat to Bataan.

FPIC’s white oil pipeline (WOPL) operation has yet to resume commercial operations since the Supreme Court (SC) issued a Writ of Kalikasan in November 2010. FPIC was ordered to immediately cease and desist from operating its pipeline until further orders from the SC and to check the structural integrity of the whole span of the 117-kilometer pipeline, and in the process to apply and implement sufficient measures to prevent and avert any untoward incidents such as fire, explosion or other destructive effects that may result from any leak in the pipeline. FPIC continues to comply with the orders of the SC by continuing to undertake projects to maintain the structural integrity of its transmission pipelines and support its safe commercial operations. The SC already issued a resolution on June 16, 2015 allowing FPIC to resume operations. The resolution also states that the DOE is fully authorized by law to issue an order for the return to commercial operations of the pipeline following the conduct of the integrity tests. Petitioners have filed several motions urging the SC to reconsider this resolution. As at March 31, 2025, the final resolution of the Writ remains pending with the SC.

Aside from the Writ of Kalikasan, a number of unit owners and residents of the affected condominium have filed a civil case for damage suits against FPIC, its directors and officers, First Gen, Pilipinas Shell Petroleum Corporation and Chevron Philippines, Inc. for a total approximate amount of ₱2.5 billion representing actual, moral, exemplary damages, medical fund and lawyers’ fees. In a resolution dated June 30, 2014, the Court of Appeals (CA) denied the petition of the West Tower and affirmed the trial court’s recognition of the case as being an ordinary action for damages. The CA, however, also ruled that the individual residents who joined West Tower in the civil case need not file separate cases, but instead can be joined as parties in the present case. West Tower and FPIC each filed a motion for partial reconsideration, with West Tower arguing that the case is an ordinary action for damages, and FPIC assailing the ruling that the individual residents can be joined as parties in the present case. Both motions were denied in a CA resolution dated December 11, 2014. On February 20, 2015, FPIC filed before the SC a Petition for Review of the CA's denial of its Motion for Partial Reconsideration. As at March 31, 2025, the case remains pending.

On April 11, 2016, FPIC increased its authorized capital stock by ₱4.0 billion divided into 4.0 million non-voting redeemable preferred stocks with par value of ₱1,000 per share. The Parent Company and Shell have also agreed to subscribe to 1,886 million redeemable preferred stocks at the price of ₱1,000 per share.
On November 29, 2018, the Parent Company purchased the 7,954,400 common and preferred stocks of FPIC from Shell for a total amount of ₱10 million (US$0.2 million), making FPIC a wholly-owned subsidiary of the Parent Company.

For 2024 and 2023, FPIC has not resumed commercial operations and incurred a net loss of ₱45.6 million and ₱134.3 million, respectively.

There was no bankruptcy, receivership or similar proceedings initiated during the past three (3) years.

(3) Factors Affecting the Group's Results of Operations

Major Risks
The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, credit risk and equity price risk:

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debts with floating interest rates, derivative assets, and derivative liabilities. The Group's policy is to manage interest cost through a mix of fixed and variable rate debt. On a regular basis, the Finance team of the Group monitors the interest rate exposure and presents it to management by way of a compliance report. To manage the exposure to floating interest rates in a cost-efficient manner, the Group may consider prepayment, refinancing, or entering into derivative instruments as deemed necessary and feasible.

As at December 31, 2024 and 2023, approximately 54% and 67% of the Group's borrowings are subject to fixed interest rate, respectively.

Liquidity Risk. The Group's exposure to liquidity risk refers to lack of funding needed to finance its growth and capital expenditures, service its maturing loan obligations in a timely fashion, and meet its working capital requirements. To manage this exposure, the Group maintains internally generated funds and prudently manages the proceeds obtained from fundraising in the debt and equity markets. On a regular basis, the Group's Treasury Department monitors the available cash balances. The Group maintains a level of cash and cash equivalents deemed sufficient to finance the operations. In addition, the Group has short-term investments and has available credit lines with certain banking institutions.

FGPC and FGP each secured a stand-by letter of credit (SBLC) from investment grade SBLC providers in 2018, which were subsequently renewed, to fully fund their obligations under their respective financing agreements. Following the full settlement of the FGPC Facility Agreements in May 2024, the corresponding SBLC was likewise terminated.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses the financial market conditions for opportunities to pursue fund raising activities.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group, except First Gen group, FSRI, FPSC, First PV, FPNC, Pi Ventures Inc., FGHC International, FPH Ventures and FPH Fund, is exposed to foreign currency risk through cash and cash equivalents and short-term investments denominated in U.S. dollar. Any depreciation of the Philippine peso against the U.S. dollar posts foreign exchange gains relating to cash and cash equivalents and short-term investments

To better manage the foreign exchange risk, stabilize cash flows, and further improve the investment and cash flow planning, the Group considers derivative contracts and other hedging products as necessary. The U.S. dollar denominated monetary assets and liabilities are translated to Philippine peso using the exchange rates of ₱57.845 to US$1.00 and ₱55.370 to US$1.00 as at December 31, 2024 and 2023, respectively.

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 trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral. The Group trades only with recognized, creditworthy third parties and/or transacts only with institutions and/or banks which have demonstrated financial soundness. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis and level of allowance is reviewed with the result that the Group exposure to bad debts is not significant. With respect to credit risk arising from other financial assets which comprise mostly of cash in banks and cash equivalents, short-term investments, and trade and other receivables, the Group exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Concentration of Credit Risk. The Group, through First Gen's operating subsidiaries namely, FGP, FGPC and FNPC (until February 2024), earns a substantial portion of its revenues from Meralco. Meralco is committed to pay for the capacity and energy generated by the natural gas power plants under the existing long-term PPAs and PSA. While the PPAs and PSA provide for the mechanisms by which certain costs and obligations including fuel costs, among others, are pass-through to Meralco or are otherwise recoverable from Meralco, it is the intention of FGP, FGPC and FNPC to ensure that the pass-through mechanisms, as provided for in their respective PPAs and PSA, are followed.

On September 16, 2019, FG Hydro signed a five-year PSA with Meralco and commenced selling electricity to Meralco in July 2020. On January 8, 2021, FG Hydro received an order from ERC granting an interim relief to implement the PSA. On July 19, 2022, FG Hydro and EDC entered into an Assignment and Amendment to the PSA wherein FG Hydro assigned its rights, interests and obligations under the PSA to EDC effective July 26, 2022. A joint manifestation of FG Hydro and Meralco was submitted to the ERC on August 18, 2022.

EDC's geothermal and power generation businesses trade with NPC and TransCo. Any failure on the part of NPC and TransCo to pay their obligations to EDC would significantly affect EDC's business operations.

The Group's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of the receivables from Meralco, in the case of FPI, FGP, FGPC, and FNPC (until February 2024), and the receivables from Meralco, NPC (until June 2024) and TransCo, in the case of EDC.

Merchant Risk. First Gen has merchant power plants that are exposed to the volatility of spot prices because of supply and demand changes, which are mostly driven by factors that are outside of First Gen group's control. These factors include (but are not limited to) unexpected outages, weather conditions, transmission constraints, and changes in fuel prices. These have caused and are expected to cause variability in the operating results of the aforementioned merchant plants. The Group mitigates these risks by having a balanced portfolio of contracted and spot capacities. As at December 31, 2024, First Gen group is 69% contracted in terms of installed capacity.

Equity Price Risk. The Group's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in equity securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's BOD reviews and approves all equity investment decisions.

The following table demonstrates the sensitivity to a reasonably possible change in share price, with all other variables held constant:

	Change in Equity Price*	Effect on Equity
Investment in Equity Securities		(In Millions)
2024	**24%**	**₱5,209**
	(24%)	**(5,209)**
2023	21%	₱3,727
	(21%)	(3,727)

**The sensitivity analysis includes the Group's quoted equity securities with amounts adjusted by the specific beta for these investments as of reporting date.*

(4) Corporate Sustainability

The Company's Sustainability Report is included in the 2024 Integrated Report which may be viewed/ downloaded from our company website *https://fphc.com/investor-relations/reports.*

Item 2. Properties

Property, plant and equipment and investment properties of the Group consist of land, power plants, buildings and improvements, machinery, transport and other equipment and constructions in progress in various locations.

First Gen Group (including EDC)

First Gas Holdings Corporation (FGHC) / First Gas Power Corporation (FGPC)
FGHC's wholly-owned subsidiary, FGPC, operates the 1,000 MW Santa Rita Power Plant located in Santa Rita, Batangas City. The power plant consists of four (4) units where each unit is composed of a gas turbine, a steam turbine, and a generator connected to a common shaft and the corresponding heat recovery steam generator. The plant site occupies a total land area of 33 hectares. Buildings and structures consist of a power island, switchyard, control room and administration building, circulating water pump building, circulating water intake and outfall structure, tank farm, liquid fuel unloading jetty, water treatment plant, liquid fuel forwarding and treatment building, gas receiving station and other support structures. The power plant also includes a transmission line, which interconnects the Santa Rita power plant to the Calaca substation.

The net book value of FGPC's property, plant and equipment amounted to US$83.2 million or ₱4.8 billion as at December 31, 2024.

Unified Holdings Corporation (UHC) / FGP Corp. (FGP)
UHC's 60%-owned subsidiary, FGP, operates the 500 MW San Lorenzo Power Plant located in Santa Rita, Batangas City. The power plant consists of 2 units where each unit is composed of a gas turbine, a steam turbine, and a generator connected to a common shaft and the corresponding heat recovery steam generator. The plant site occupies a total land area of 24 hectares. Buildings and structures consist of a power island, which consists of 1 block with a capacity of 500 MW. It also shares some of the facilities being used by the Santa Rita plant (e.g. control room and administration building, transmission line, circulating water pump building, tank farm, liquid fuel unloading jetty, water treatment plant, gas receiving station, among others).

The net book value of FGP's property, plant and equipment amounted to US$57.7 million or ₱3.3 billion as of December 31, 2024.

First NatGas Power Corp. (FNPC)
FNPC owns and operates the 420 MW San Gabriel Combined-Cycle Power Plant located in Santa Rita Aplaya & Karsada, Batangas City. The power plant consists of 1 unit, and it is composed of a gas turbine, a steam turbine, and a generator connected to a common shaft. The steam turbine runs on steam produced by the heat recovery steam generator, which is heated from the exhaust gases of the gas turbine. The plant site occupies a total land area of 4.53 hectares. Buildings and structures consist of a power island, switchyard, control room and administration building, circulating water pump building, circulating water intake and outfall structure, water storage plant, gas receiving station and other support structures. The power plant also includes a short transmission line, about 250 meters of distance to its injection point at the San Lorenzo Power Plant switchyard.

As at December 31, 2024, the net book value of FNPC's property, plant and equipment amounted to US$275.4 million or ₱15.9 billion.

Prime Meridian PowerGen Corporation (PMPC)
PMPC operates the 100 MW Avion Plant that uses General Electric's LM6000 PC Sprint aero-derivative gas turbines and has the capability to burn natural gas or liquid fuel. The Avion plant site occupies a total land area of 5.0 hectares and is located in Bolbok, Batangas City. The Avion

plant is within First Gen Clean Energy Complex which is the home of First Gen's other natural gas power plants in Batangas City.

As at December 31, 2024, the net book value of PMPC's property, plant and equipment amounted to ₱4.0 billion.

FG Bukidnon Power Corp. (FGBHPP)

The FGBHPP is located at Damilag, Manolo Fortich, Bukidnon, approximately 36 kms. Southeast of Cagayan de Oro City and 4 kms. from the pineapple plantations of Del Monte Philippines in Mindanao. The run-off-river plant consists of 2 generating units each rated at 1,000 kVA, 0.8 pf. Power is generated by 2 identical Francis horizontal shaft reaction turbines and generators with an effective head of 121.5 meters running at 900 rpm and 2.4 kV generated voltage. The plant generates power through the use of water from Agusan River. The water from the dam passes through a waterway open canal 5,545 meters along with a bottom width of 1 meter. The water is then conveyed through the thrash rack located at the intake structure of the reservoir with a total storage capacity of 40,000 m3, covering 2.83 ha. The water flows to the penstock and is directed to 2 pipes leading to each generating unit. On November 23, 2020, FG Bukidnon and PSALM executed a Deed of Sale to purchase the land where the Agusan Plant and Administrative compound is located.

As at December 31, 2024, the net book value of FGBHPP's property, plant and equipment amounted to ₱47.9 million.

Fresh River Lakes Corp. (FRLC)

The 165 MW CHEPP is a run-of-river type of hydro power facility located in Pantabangan, Nueva Ecija. The plant consists of two generators, each with a rated capacity of 82.50 MW. Each generator is coupled to a vertical shaft Francis Turbine that converts the kinetic energy of the water from the weirs at a max net head of 269.2 meters. The electric power output of CHEPP is delivered to the Luzon Grid through a 13.8kV/230kV Ring Bus Switchyard, composed of one 150 MVA and one 200 MVA transformers, and with connection point at the 230 kV San Manuel Substation.

CHEPP utilizes the flow of water from the government-owned intake facilities at the Casecnan and Taan Rivers in Nueva Vizcaya to drive its turbines, converting the hydraulic energy into electrical energy, before flowing into the Pantabangan Dam. A 23.7-kilometer transbasin tunnel, which runs underground along the Caraballo Mountains in the central part of Luzon, and two smaller tunnels with a combined length of 2 kilometers, link the Taan and Casecnan weirs to the plant. FRLC also owns the switchyard, the administration complex, guest house and some road networks within the facility.

Ownership of the non-power components, which include the irrigation facilities, the weirs, intake facilities and the transbasin tunnel remains with the government.

As at December 31, 2024, the net book value of FRLC's property, plant and equipment amounted to ₱10.6 billion.

FGEN LNG Corporation (FGEN LNG)

FGEN LNG owns and operates the LNG Terminal located at the FGEN Clean Energy Complex in Batangas City. The LNG Terminal is composed of (i) LNG storage and regasification components situated on a floating storage and regasification unit chartered by FGEN LNG, (ii) a multi-purpose jetty comprised of unloading arms, mooring dolphins, and trestles, among others, and (iii) an onshore gas receiving facility comprised of high pressure pipeline connections, gas metering skids and flow meters, a jetty monitoring building and a facility control building.

As at December 31, 2024, the net book value of FGEN LNG's property, plant and equipment amounted to ₱12.4 billion.

Energy Development Corporation (EDC)
EDC is the registered owner of land located in various parts of the Philippines. Based on the latest valuation of Santos Knight Frank (formerly CB Richard Ellis Philippines) in December 2018 these lands were valued by CB Richard Ellis Philippines for EDC at around ₱1.4 billion.

As at December 31, 2024, EDC's landholdings include real estate properties in Bonifacio Global City in Taguig with a total area of 6,249 square meters, Baguio City with an area of 2,558 sq.m., and numerous parcels of land used for its geothermal operations in the cities of Ormoc, Bago, and Sorsogon and in the municipalities of Kananga, Leyte; Valencia, Negros Oriental; and Manito, Albay with an approximate aggregate area of more or less 417 hectares.

In Northern Luzon, lots affected by the EDC Burgos Wind Project in the municipalities of Burgos, Bacarra, Pasuquin and Laoag were either leased by the EDC and EBWPC or expropriated accordingly and are currently being used for its wind and solar farm area and other facilities. The following table sets out certain information regarding EDC's landholdings:

Location/Project	Parcels of Land	Area (hectares)	Under Expropriation	Leased	Acquired	
					w/ title to EDC	Title for Consolidation
Fort Bonifacio	5	0.62	–	–	5	–
Baguio	1	0.26	–	–	1	–
Bacon-Manito Geothermal Project	48	29.62	3	7	12	26
Northern Negros Geothermal Project	124	71.03	19	54	51	–
Southern Negros Geothermal Project	97	102.83	2	14	1	80
Leyte Geothermal Project	110	214.06	13	18	39	40
Burgos Wind Project	2,147	574	1,622	525	–	–
Burgos Temfacil/ Admin Building	1	0.3081	–	1	–	–
Met Mast Burgos 2	1	10	–	1	–	–
Pagudpud Wind Project	6	2	–	6	–	–
Burgos 1 Wind Project	1	2.02	–	1	–	–
Mindanao Geothermal Project	2	16.9	–	1	1	–
Total	**2,543**	**1,023.65**	**1,659**	**628**	**110**	**146**

None of the properties owned by EDC is subject to any mortgage, lien, or encumbrance. The Burgos Wind Project assets and properties are subject to mortgage under EBWPC's project financing agreements.

EBWPC entered into a limited recourse project financing for its Burgos Wind Project in October 2014. The project's lenders have limited recourse to EDCs assets and rely primarily on EBWPC's cash flows for interest and principal repayment, with the project's assets, rights, and interests held as secondary collateral. As part of the project financing agreement, EBWPC entered into a mortgage agreement with Philippine National Bank, the onshore collateral agent. The mortgage shall cover all of the assets of EBWPC whether such assets 43 now exist or at any time hereafter come into existence, or are now at any time hereafter acquired, and whether any such later acquisition is by way of addition thereto or substitution of any component part thereof, together with all the rights and interests therein.

On December 13, 2024, EBWPC secured interest-free subordinated shareholder advances from EDC and voluntarily prepaid the principal outstanding of the BWP project financing ("PF") on December 16, 2024. EBWPC and the BWP PF parties subsequently executed a Global Deed of Release and Termination, discharging each party of its obligations under the PF agreements and reassigning to the

Borrower all rights, title and interest in any collateral security or security interest previously created under the PF security documents.

The carrying amount of EBWPC's property, plant and equipment covered by the mortgage agreement amounted to nil and ₱13.4 billion as at December 31, 2024 and 2023, respectively. The total amount mortgaged as security is equivalent to its total assets amounting to nil and ₱17.3 billion as at December 31, 2024 and 2023, respectively.

Other geothermal sites that have existing lease agreements generally have a mid-term lease and are used for access roads and drilling pads where the need to use the property is immediate, temporary, but renewable. Lease payments are usually paid in full for the whole duration of the contract at the start of the lease term. Transmission line lease agreements are long-term in nature and are always paid in full.

The following table provides details on EDC's leased properties:

Location/ Project	Parcels of land	Structures	Duration of lease	Payment Terms	Lease Amount (in Php millions)	Renewal options
Northern Negros Geothermal Project	54	Dedicated point-to-point limited facilities	long-term	one time	0.27	perpetual easement
Southern Negros Geothermal Project	14	Pipelines, drilling pads and access roads	2/3/5/10 years	one time/ annual	0.30	renewable
Leyte Geothermal Project	18	Pad 4RD, rigs, machineries, pipe & pipelines and other equipment, building; city office	5/10/20/25 years	monthly/5 yr. lump sum/ one time	9.22	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road	25 years	one time	0.03	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road	25 years	one time	0.09	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Parking Area	1 year	monthly	0.03 + 12% VAT	–
Bacon-Manito Geothermal Project	1	Air quality monitoring station	1 year	one time	0.03	–
Bacon-Manito Geothermal Project	1	Drilling pad	25 years	one time	0.44	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Pipe Corridor	25 years	one time	0.02	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road Lot	25 Years	one time	0.04	renewable, with first option to buy
Burgos Wind Project (WF)	23	wind farm area / dedicated point-to-point limited facilities	25 years	one time	1.18	renewable, with first option to buy

Location/ Project	Parcels of land	Structures	Duration of lease	Payment Terms	Lease Amount (in Php millions)	Renewal options
Burgos Wind Project (TL)	502	wind farm area / dedicated point-to-point limited facilities	Long-term 25 years/ perpetual	one time	21.86	1 lot only renewable, with first option to buy
Burgos Temfacil/ Admin Building	1	Admin office	15 years	one time	0.270	renewable, with first option to buy
Pagudpud Wind Project	6	80-meter meteorological mast	5 years	one time	0.88	renewable, with first option to buy
Burgos 1 Wind Project	1	80-meter meteorological mast	5 years	one time	0.09	renewable, with first option to buy
Burgos 2 Wind Project	1	80-meter meteorological mast	10 years	five times	0.30	renewable, with first option to buy
Mindanao Geothermal Project	1	PAD RG Dev't, Energy Support Zone & 50MW Mt Apo 3 Optimization Project	25 years	lump sum for 25 yrs.	0.156	renewable
Total	**628**				**35.21**	

First Gen Hydro Power Corporation (FG Hydro)
The 120-MW Pantabangan Hydroelectric Power Plant (PHEP) is located at the foot of the Pantabangan dam and consists of two generators, each capable of generating full load power of 60.40 MW. Each generator is coupled to a vertical shaft Francis Turbine that converts the kinetic energy of the water from the dam at a design head of 75 meters. The electric power output of PHEP is delivered to the Luzon Grid through a 13.8kV/230kV Ring Bus Switchyard, composed of two 75 MVA transformers.

Located some 7 kms. downstream of PHEP is the 12-MW Masiway Hydroelectric Power Plant (MHEP). It uses a Kaplan turbine to convert the energy of the low head but high flow release of water from the Masiway re-regulating dam. The power output of MHEP is delivered to the Grid through a switchyard mainly composed of a 15 MVA transformer, switching and protective equipment all owned by FG Hydro. In 2015, FG Hydro replaced the excitation, protection and governor system as well as the main step-up transformer of MHEP. For both PHEP and MHEP, the power components owned and operated by FG Hydro are the power houses and generating equipment plus auxiliary systems, warehouses, lay down and areas associated with the powerhouses. In addition, FG Hydro also owns the steel penstock and main step-up transformers at PHEP. For MHEP, the intake and trash rack machine as well as the main step-up transformer that includes the 69 KV switchyard equipment are owned by FG Hydro. The transmission facilities including the switchyard at PHEP are owned by NGCP.

The volume of water outflow from the Pantabangan reservoir is based on the Irrigation Diversion Requirement of NIA. NIA operates and maintains the non-power components which include the watershed, spillway, intake structures of PHEP, and Pantabangan and Masiway reservoirs.

As at December 31, 2024, the net book value of FG Hydro's property, plant and equipment amounted to ₱1.8 billion.

Green Core Geothermal, Inc.
Located in Valencia, Negros Oriental, the Palinpinon geothermal power plant consists of two power stations, Palinpinon I and II, which are approximately five kilometers apart. Commissioned in 1983, Palinpinon I comprises three 37.5–MW steam turbines for a total rated capacity of 112.5-MW. Palinpinon II, on the other hand, consists of three (3) modular power plants: Nasuji, Okoy 5, and Sogongon. The 20-MW Nasuji was commissioned in 1993, is currently under preservation mode, while the 20-MW Okoy 5 was commissioned in 1994. Constructed in 1995, Sogongon consists of two 20-MW units, Sogongon-1 and Sogongon-2.

Situated in Sitio Sambaloran, Barangay Lim-ao, Kananga, Leyte province in Eastern Visayas, the Tongonan 1 geothermal power plant consists of three (3) 41-MW units, which began commercial operations in 1983.

Both the Palinpinon and Tongonan geothermal power plants are fueled by geothermal steam supplied by EDC.

Bac-Man Geothermal, Inc. (BGI)
Located in Bacon, Sorsogon City and Manito, Albay in the Bicol region, the Bac-Man Geothermal Power Plant facilities consist of two (2) steam power generating plant complexes. Bac-Man I facility originally included two (2) 55 MW units, which were both commissioned in 1993. Bac-Man II facility, on the other hand, originally consisted of two (2) 20 MW units namely, Cawayan (located in Barangay Basud) and Botong (located in Osiao, Sorsogon City). Following the plant acquisition in 2010, BGI relocated the non-operational Botong equipment to Cawayan and rehabilitated the two (2) units at Bac-Man I facility. Bac-Man Geothermal Power Plant now operates with a re-rated capacity of two (2) 60 MW units in Bac-Man I and one (1) 20 MW unit (Cawayan) in Bac-Man II for a total gross capacity of 140 MW[1]. EDC supplies the steam to the Bac-Man Geothermal Power Plants.

EDC Burgos Wind Power Corporation (EBWPC)
Located in the municipality of Burgos, Ilocos Norte, EBWPC hosts the 150-MW Burgos Wind Project. The wind farm is comprised of fifty (50) units of wind turbine generators spread across over 680 hectares and spans across the three (3) barangays of Saoit, Nagsurot, and Poblacion. Each wind turbine is designed with a 3.0-MW capacity, totaling 150-MW. Aside from the turbines, located also within the power plant compound is a substation that serves as the dispatch point of the electricity. A 43-km transmission line connects the Burgos substation to the Laoag substation owned by the National Grid Corporation of the Philippines, injecting the electricity into the Luzon grid. The power plant started commercial operations in November 2014 and is operating under the feed-in-tariff regime.

Unified Leyte Geothermal Energy, Inc. (ULGEI)
Operation involves managing and/or trading of 40 MW Strips of Energy from ULGPP under the IPPA Agreement with PSALM. The agreement expired last July 25, 2021. As of December 31, 2024, there is no live contract under ULGEI. On June 27, 2024, the BOD and stockholders of ULGEI approved the shortening of the corporate term of ULGEI from fifty (50) years from and after the date of issuance of certificate of incorporation to until June 23, 2026.

[1] Bac-Man's aggregated rated capacity is 130 MW and the aggregated dependable capacity is 140 MW as indicated in its PAO issued by the ERC in November 2024. On March 19, 2025, the ERC issued the PAO for PBPP with a rated capacity of 35.7 MW and a dependable capacity of 28.0 MW. As of March 31, 2025, the total rated capacity for Bac-Man is 165.7 MW and the total dependable capacity is 168.0 MW.

EDC Siklab
In January 2017, EDC Siklab, a wholly-owned subsidiary of EDC, started to generate electricity from its 1,030 kW solar rooftop system in Gaisano Capital's mall in La Paz District, Iloilo. As at December 31, 2024, EDC Siklab operates the solar rooftop systems in the following Gaisano Capital malls:

- La Paz, Iloilo (1,030 kW)
- Kalibo, Aklan (762 kW)
- Oton, Iloilo (614 kW)
- Passi, Iloilo (614 kW)
- Balasan, Iloilo (614 kW)
- Sogod, Southern Leyte (547 kW)
- Ormoc City (547 kW)
- Sorsogon City (443 kW)

Rockwell Land Corporation (Rockwell)
Rockwell, in the course of its business, has invested in various properties for its existing and future development projects. It entered into a joint venture with Meralco for Rockwell Business Center (RBC) Ortigas, an office development project in Pasig. It has also signed two long-term lease agreements for the development of Santolan Town Plaza and RBC - Sheridan.

Following is the list of properties owned by the Rockwell as at December 31, 2024. The list excludes properties which have been completed or have been launched as development projects since titles of properties in these projects have already been or will be transferred to the buyers and/or the respective condominium corporations.

Investment Properties	**Location**	**Description and use**
Power Plant Mall	Rockwell Center, Makati	Retail
Estrella lots	Estrella St., Makati City	Company use (office & storage)
Grove retail	The Grove, Pasig City	Company use (office and retail)
8 Rockwell	Rockwell Center, Makati	Office and retail
Various retail spaces	The Manansala, Joya Lofts and Towers, One Rockwell, Edades #38 Rockwell Drive, Balmori Suites – all within Rockwell Center, Makati; East Bay in Muntinlupa, and The Vantage in Pasig	Retail
Rockwell Business Center – Sheridan	Sheridan, Mandaluyong	Office and Retail
Santolan Town Plaza	Bonny Serrano Ave, San Juan	Office and Retail
Batangas property	Sto. Tomas, Batangas	Retail development
Arton Strip	Quezon City	Retail development
1 Proscenium	Rockwell Center, Makati	Office development
Proscenium Retail Row	Rockwell Center, Makati	Retail
Rockwell Performing Arts Theater	Rockwell Center, Makati	Theater
Property, Plant & Equipment		
Aruga Serviced Apartments	Rockwell Center, Makati	Hotel development

Investment Properties	Location	Description and use
Aruga Resort & Residences-Mactan	Mactan, Cebu	Hotel development

Investment in Shares of Stock	No. of Shares	Par or Market Value and Description
Rockwell Primaries Development Corporation	500,000,000 Common Stock	₱500.0 Million
Rockwell Primaries South Development Corporation*	3,100,000 Common Stock 6,000,000 Preferred Stock	₱316 Million
Stonewell Property Development Corporation	12,500,000 Common Stock	₱12.5 Million
Rockwell Performing Arts Theater Corporation	2,500,000 Common Stock	₱2.5 Million
Rockwell Integrated Property Services Inc.	20,000,000 Common Stock	₱20.0 Million
Rockwell Leisure Club Inc.	760 Proprietary Shares and 1,491 Ordinary Shares	₱394.6 Million (Market Value) and ₱1.5 Million (Par Value of Ordinary Shares)
Rockwell Hotels & Leisure Management Corp.	5,000,000 Common Stock	₱5.0 Million
Retailscapes Inc.	500,000,000 Common Stock	₱500.0 Million
Rockwell MFA Corp.	399,996 Common Stock 10,800,000 Preferred Stock	₱1,120.0 Million
Rockwell Carmelray Development Corporation	900,000 Common Stock 127,662,223 Preferred Stock	₱1,285.6 Million
Rockwell Nepo Development Corporation (RNDC)	9,451,878 Common Stock 746,698,125 Preferred Stock	₱756.1 Million
Rockwell IPI Development Corporation Inc. (RIDC)	1,019,205,000 Common Stock 2,129,205,000 Preferred Stock	₱3,148 Milllion
Rockwell GMC Development Corporation	12,000,000 Common Stock 4,080,984,000 Preferred Stock	₱4,093 Milllion

* *indirect subsidiary*

<u>First Philippine Industrial Park (FPIP) and First Industrial Township (FIT)</u>

FPIP operates a 550-hectare industrial estate, located in the Province of Batangas, Philippines, which it sells or leases to various manufacturing or service-oriented entities. In addition to this, its subsidiary FPDMC leases ready built factories within FPIP to prospective locators. As at December 31, 2024, FPDMC has a total of 29 buildings with 75 units and a total gross leasable area of around 181,239 square meters with a carrying value of ₱2.3 billion as at December 31, 2024.

FPIP also owns the First Industrial Township (FIT) special economic zone in the Province of Batangas, Philippines. Among the properties of FIT are the sewage treatment and water distribution system, a power substation and an administration building. Investment properties of FIT consist of parcels of land located in Sto. Tomas, Batangas with a carrying value of ₱173.6 million as at December 31, 2024.

<u>Other Properties</u>

FPH's other subsidiaries (i.e. First Philippine Realty Corp., First Philec group, First Balfour, First Philippine Industrial Corporation, First Philippine Properties Corp. and others) also own various properties which are used for business and/or held for capital gains.

Investment properties of the Group has a net book value of ₱23.4 billion as at December 31, 2024 and consist mainly of FPH's real properties, Rockwell's "Power Plant" Mall and other commercial and industrial properties owned by Rockwell and FPIP, and FPPC group's parcels of land located in Batangas.

Item 3. Legal Proceedings

- **First Philippine Holdings Corporation**

In the opinion of management and its legal counsel, FPH is not directly involved in any litigation where the adverse determination of which would have a substantial and material effect on its financial position and results of operations. FPH has sought to include below the cases it believes may have some impact.

Cases relating to the recovery of certain PCIB Shares

FPH was allowed by the Supreme Court (SC) in FPH vs. Sandiganbayan, G.R. No. 88345 to intervene and litigate its claim of ownership over 6,299,177 sequestered PCIBank shares of stock in the case of the Republic of the Philippines ("Republic") vs. Benjamin Romualdez, et al., Civil Case No. 0035, which is pending before the Sandiganbayan. FPH anchors its claim on, among other facts, the nullity or voidability of the contract transferring the shares from itself to Romualdez, et al. The Sandiganbayan, however, dismissed FPH's Second Complaint-in-Intervention, as well as FPH's subsequent motions for reconsideration/petitions. On October 4, 2023, the Supreme Court denied the Motion for Reconsideration to the Decision filed by FPH, including the Motion for Partial Reconsideration filed by the Presidential Commission on Good Government through the Office of the Solicitor General.

Tax Cases

The management of the companies, in consultation with its external and internal legal and tax counsels, believes that the final settlement of the remaining cases, if any, would not adversely affect the companies' financial position or results of operations. As at March 27, 2025, some of the remaining tax cases were closed and terminated.

- **EDC**

Expropriation Proceedings

Several expropriation proceedings filed by the Republic of the Philippines, through the DOE and PNOC, to acquire lands needed by EDC for its power plants and projects are still pending before various Philippine courts, in particular, with respect to the land requirements of the Leyte Geothermal Production Field, the Southern Negros Geothermal Production Field, Northern Negros Geothermal Project, Bac-Man Geothermal Project and the EBWPC Wind Project.

As at December 31, 2024, there were 1,600 such cases pending and the aggregate amount claimed by the landowners as just compensation is approximately ₱258.0 million

Tax Cases

Real Property Taxes

From 2009 to 2022, EDC and its subsidiaries, BGI, GCGI and EBWPC and EDC Siklab, paid under protest, and applied for the refund of RPT. The protests were filed primarily due to (i) the application of RPT rates that were higher than the preferential RPT rate of 1.5% under Section 15(c) of the RE Act, and/or (ii) non-application of the full 5% depreciation allowance on machineries. As at December 31, 2024, these protests have been appealed to, and are still pending with, the respective Local Board of Assessment Appeals (LBAA) and the Central

Board of Assessment Appeals (CBAA) having jurisdiction over the cities and provinces where these properties are located. On August 21, 2024, the Court of Tax Appeals (CTA) resolved with finality the cases involving EDC's RPT overpayments to Ormoc City for calendar years 2012 to 2015.

EDC and GCGI also have several appeals pending with the LBAA in relation to assessments or claims for exemption of certain real properties, including machineries and equipment for pollution control or environmental protection, which are exempt from RPT. These proceedings are pending with the LBAA, CBAA or the CTA as at December 31, 2024.

In 2017, Kidapawan City commenced formal collection proceedings against EDC to collect RPT on the non-power plant assets and the State-owned land where the MAGP is located. This prompted EDC to file a Complaint for Injunction with the RTC of Kidapawan City to stop Kidapawan City from pursuing collection measures on the basis that it had no authority to impose RPT on non-power plant assets and State-owned land. The RTC granted EDC a preliminary injunction, and the case is on-going trial before the RTC as at December 31, 2024.

Franchise Taxes

(i) 2000-2004, 2006-2007

The Province of Leyte assessed EDC for franchise taxes in respect of the operations of its geothermal power plants in the province from 2000-2004, 2006, and 2007. EDC seasonably filed the corresponding appeals before the RTC of Tacloban City, Leyte, for the annulment of the assessments. These cases are docketed as Consolidated Civil Cases No. 2006-07-77, 2006-05-49, 2006-05-48 and 2007-08-03, and 2008-05-537 captioned, "PNOC EDC vs. Province of Leyte, et. al."

In December 2008, EDC received a Consolidated Notice of Assessment and Demand for Payment from the Province of Leyte, demanding from EDC the payment of franchise tax. This assessment canceled previous assessments since the new assessment covers the period starting 1998 until 2006. On April 24, 2009, EDC protested the said assessment and, since the Province denied the said protest, the matter is currently under appeal before the RTC of Tacloban City, Leyte, docketed as Civil Case No. 2009-04-46, and captioned "EDC vs. Province of Leyte, et al."

On September 15, 2009, the RTC issued an order granting a Preliminary Injunction restraining the Province of Leyte from levying and collecting franchise tax from EDC. The Province of Leyte filed a Petition for Certiorari with the CA to question the Preliminary Injunction, which Petition was denied on August 3, 2012. The Province of Leyte then filed a Petition for Review on Certiorari with the SC, where the petition remains pending as at December 31, 2024.

(ii) 2010-2015

On March 22, 2017, GCGI filed a Complaint with the RTC in Tacloban City, Leyte to appeal the inaction of the Provincial Treasurer of Leyte on GCGI's protest letter against the franchise tax assessment for the period 2010-2015. The case is still pending with the RTC as at December 31, 2024.

EDC and GCGI believe that they are not liable for franchise tax since they are not holders of any legislative franchise, local or national, and a franchise is not required for their operations or business.

Input Value Added Tax (Input VAT)
In 2009, EDC filed Petitions for Review with the CTA with respect to its un-acted claim from the Bureau of Internal Revenue (BIR) for tax credit on input value-added tax ("VAT") relating to EDC's VAT zero-rated sales for 2007 and 2008. The 2007 and 2008 input VAT claims have been appealed up to the SC. The SC granted EDC's appeal of the CTA's denial of its 2007 input VAT refund claim and remanded the case to the CTA for continuation of proceedings. The 2008 input VAT refund claim is still pending with the SC. EDC believes that it is entitled to a tax refund or tax credit of its unutilized input taxes attributable to VAT zero-rated sales of renewable energy pursuant to the provisions of the RE Act and the National Internal Revenue Code (NIRC), as amended.

In 2016, EBWPC filed a Petition for Review with the CTA with respect to the denial by the BIR of its administrative claim for tax refund or tax credit of its input VAT for the 1st and 2nd quarters of 2014 attributable to VAT zero-rated sales. EBWPC believes that it is entitled to a tax refund or tax credit of its unutilized input taxes attributable to VAT zero-rated sales of wind energy pursuant to the provisions of the RE Act and the NIRC, as amended.

On March 12, 2021, the CTA-Third Division rendered a Decision denying EBWPC's VAT refund claim. It likewise denied EBWPC's Motion for Reconsideration; thus, on December 20, 2021, EBWPC elevated the CTA-Third Division's denial to the CTA En Banc, where it is pending as at December 31, 2024.

Income Tax Assessment
On December 5, 2017, BGI filed Petitions for Review with the CTA to appeal the denial by the BIR of its protest letter against the deficiency income tax assessment for taxable year 2013. The BIR assessed BGI for deficiency income tax on the ground that it is not entitled to use the ten percent (10%) preferential income tax rate under Section 15(e) of the RE Act since BGI's income tax incentive only commenced on July 1, 2013, or its Start of Commercial Operation. BGI believes that the assessment should be cancelled because it was entitled to avail of the 10% preferential income tax rate in taxable year 2013 pursuant to Rule 5, Section 13(E) of the implementing rules and regulations of the RE Act. On November 18, 2021, the CTA rendered a Decision cancelling the tax assessment on the ground that BIR violated BGI's right to due process. On May 20, 2022, the BIR appealed to the CTA En Banc, which appeal was denied on October 11, 2023. The BIR filed a MR of the CTA En Banc's decision, which was denied on February 8, 2024. The BIR then appealed to the SC, where the case is pending as at December 31, 2024.

Civil Cases
As at December 31, 2024, there are civil cases to which EDC is a party. EDC does not believe that an adverse result in any one case poses a material risk to EDC's operations.

Labor Cases
As at December 31, 2024, there are pending labor cases against EDC, most of which deal with plaintiffs' claims of illegal dismissal and backwages. EDC does not believe that these cases pose a material risk to EDC's operations.

Other legal proceedings

West Tower Condominium Corporation, et al. vs.
First Philippine Industrial Corporation, et al.
G.R. No. 194239, Supreme Court of the Philippines

On November 15, 2010, a Petition for the Issuance of a Writ of Kalikasan was filed before the SC by the West Tower Condominium Corporation, et al., against respondents First Philippine Industrial Corporation (FPIC), First Gen, their respective boards of directors and officers, and John Does and Richard Roes. The petition was filed in connection with the accidental oil leak from a segment of FPIC's white oil pipeline located in Bangkal, Makati City.

The petition was brought by the West Tower Condominium Corporation purportedly on behalf of its unit owners and in representation of the inhabitants of Barangay Bangkal, Makati City. The petitioners sought the issuance of a Writ of Kalikasan to protect the constitutional rights of the Filipino people to a balanced and healthful ecology, and prayed that the respondents permanently cease and desist from committing acts of negligence in the performance of their functions as a common carrier; continue to check the structural integrity of the entire 117-km white oil pipeline and replace the same; make periodic reports on findings with regard to the said pipeline and their replacement of the same; be prohibited from opening the white oil pipeline and allowing its use until the same has been thoroughly checked and replaced; rehabilitate and restore the environment, especially Barangay Bangkal and West Tower Condominium, at least to what it was before the signs of the leak became manifest; open a special trust fund to answer for similar contingencies in the future; and be temporarily restrained from operating the said pipeline until final resolution of the case.

On November 19, 2010, the SC issued a Writ of Kalikasan with Temporary Environmental Protection Order (TEPO) directing the respondents to: (i) make a verified return of the Writ within a non-extendible period of ten days from receipt thereof; (ii) cease and desist from operating the pipeline until further orders from the court; (iii) check the structural integrity of the whole span of the pipeline, and in the process apply and implement sufficient measures to prevent and avert any untoward incident that may result from any leak in the pipeline; and (iv) make a report thereon within 60 days from receipt thereof.

First Gen and its impleaded directors and officers filed a verified Return in November 2010, and a Compliance in January 2011, explaining that First Gen is not the owner and operator of the pipeline, and is not involved in the management, day-to-day operations, maintenance and repair of the pipeline. For this reason, neither First Gen nor any of its directors and officers has the capability, control, power or responsibility to do anything in connection with the pipeline, including to cease and desist from operating the same.

For the purpose of expediting the proceedings and the resolution of all pending incidents, the SC reiterated its order to remand the case to the CA to conduct subsequent hearings within a period of 60 days, and after trial, to render a report to be submitted to the SC.

On December 21, 2012, the former 11th Division of the CA rendered its Report and Recommendation in which the following recommendations were made to the SC: (i) that certain persons/organizations be allowed to be formally impleaded as petitioners subject to the submission of the appropriate amended petition; (ii) that FPIC be ordered to submit a certification from the DOE that the white oil pipeline is safe for commercial operation; (iii) that the petitioners' prayer for the creation of a special trust fund to answer for similar contingencies in the future be denied for lack of sufficient basis; (iv) that respondent First Gen not be held solidarily liable under the TEPO; and (v) that without prejudice to the outcome of the civil and criminal cases filed against respondents, the individual directors and officers of FPIC and First Gen not be held liable in their individual capacities.

Petitioners filed a Motion for Partial Reconsideration in January 2013, in which they prayed, among others, that the Department of Science and Technology (DOST), specifically its Metal Industry Research and Development Center, be tasked to chair the monitoring of FPIC's compliance with the directives of the court and issue the certification required to prove that the pipeline is safe to operate before commercial operation is resumed; that stakeholders be consulted before a certification is issued; that a trust fund be created to answer for future contingencies; and that the Company and the directors and officers of the Company and FPIC also be held liable under the Writ of Kalikasan and the TEPO.

In a Compliance dated January 25, 2013, FPIC submitted to the SC a Certification signed by then DOE Secretary Carlos Jericho L. Petilla stating that the black oil pipeline is safe for commercial operation.

On July 30, 2013, the SC resolved to adopt the recommendations of the CA in its December 2012 resolution. Specifically, the SC ordered FPIC to secure a certification from the DOE that the white oil pipeline is safe to resume commercial operations, as well as consider FPIC's adoption of an appropriate leak detection system used in monitoring the entire pipeline's mass input versus mass output and the necessity of replacing pipes with existing patches and sleeves.

On October 25, 2013 the DOE issued a certification that the white oil pipeline is safe to return to commercial operations. FPIC submitted the DOE certification to the SC on October 29, 2013. On June 16, 2015, the SC issued another resolution recognizing the powers of the DOE to oversee the operation of the pipelines. The resolution also stated that the DOE is fully authorized by law to issue an order for the return to commercial operations of the pipeline following integrity tests. Petitioners have filed several motions for the SC to reconsider this resolution.

As at March 27, 2025, the final resolution of the Writ remains pending with the SC.

West Tower Condominium Corporation, et al. vs. First
Philippine Industrial Corporation, et al.
<u>*Civil Case No. 11-256, Regional Trial Court, Makati Branch 58*</u>

On March 24, 2011, a civil case for damages was filed by the West Tower Condominium Corporation and some residents of the West Tower Condominium against FPIC, the FPIC directors and officers, First Gen, Pilipinas Shell Petroleum Corporation, and Chevron Philippines, Inc. before the Makati City RTC. In their complaint, the Plaintiffs alleged that FPIC, its directors and officers, and First Gen violated Republic Act (R.A.) No. 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990), R.A. 8749 (Philippine Clean Air Act of 1999) and Its Implementing Rules and Regulations, and R.A. 9275 (Philippine Clean Water Act of 2004). The complaint sought payment by the Defendants of actual damages comprising incurred rentals for alternative dwellings, incurred additional transportation and gasoline expenses and deprived rental income; recompense for diminished or lost property values to enable the buying of new homes; incurred expenses in dealing with the emergency; moral damages; exemplary damages; a medical fund; and attorney's fees.

First Gen filed its Answer in May 2011, in which it was argued that the case is not an environmental case under the Rules of Procedure for Environmental Cases, but an ordinary civil case for damages under the Rules of Court for which the appropriate filing fees should be paid before the court can acquire jurisdiction thereof. In an Order dated August 22, 2011, Makati City RTC (Branch 158) Judge Eugene Paras ruled that the complaint is an ordinary civil action for damages and that the Plaintiff should pay the appropriate filing fees in accordance with the Rules of Court within 10 days from receipt of the Order. The other individual plaintiffs were ordered dropped as parties in the case. The Plaintiffs filed a Motion to Inhibit Judge Paras as well as a Motion for Reconsideration of the Order. In an Order dated October 17, 2011, the court reiterated that it has no jurisdiction over the case and ordered the referral of the case to the Executive Judge for re-raffle.

In an Order dated December 1, 2011, Judge Elpidio Calis of the Makati City RTC (Branch 133) declared that the records of the case have been transferred to his court. In an Order dated March 29, 2012, Judge Calis denied the plaintiffs' Motion for Reconsideration for lack of merit, and ordered the plaintiffs to pay the appropriate filing fees within ten (10) days from receipt of the Order, with a warning that non-compliance will constrain the court to dismiss the case for lack of jurisdiction. Instead of paying the filing fees, the plaintiffs filed a Petition for Certiorari with the CA to nullify the order of Branch 133.

In a resolution dated June 30, 2014, the CA denied the petition of West Tower and affirmed the trial court's recognition of the case as being an ordinary action for damages. The CA, however, also ruled that the individual residents who joined West Tower in the civil case need not file separate cases, but instead can be joined as parties in the present case. West Tower and FPIC each filed a motion for partial reconsideration, with West Tower arguing that the case is an ordinary action for damages, and FPIC assailing the ruling that the individual residents can be joined as parties in the present case. Both motions were denied in a CA resolution dated December 11, 2014. Both parties subsequently filed separate Petitions for Certiorari with the SC assailing the CA's resolution.

As at March 27, 2025, the resolution of the Petition for Review remains pending with the SC.

Arbitration Proceedings

First PV and First Philec Nexolon Corporation (FPNC)

The Parent Company's subsidiaries, First PV and FPNC initiated arbitration proceedings against Nexolon with the ICC in 2012 on the basis of Nexolon's breaches of the Supply Agreement. The arbitral tribunal rendered the final award in October 2014 which required Nexolon to pay damages and pre-award interest to FPNC in the amount of US$24.8 million and a put option price to First PV in the amount of ₱2.09 billion (FPNC and First PV are referred to as the "Companies"). To date, no payments have been received on the award from Nexolon which is reported to be in rehabilitation proceedings. The companies have filed their appropriate claims in Korean rehabilitation courts.

Certain subsidiaries and associates have contingent liabilities with respect to claims, lawsuits and tax assessments. The respective management of the subsidiaries and associates, after consultations with outside counsels, believes that the final resolution of these issues will not materially affect their respective financial position and results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

The only matters submitted to voting by the security holders relate to items taken up during the Annual Stockholders' Meeting and as listed in the agenda.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Market Information

(a) The registrant's common shares are being traded at the Philippine Stock Exchange, Inc. (PSE).

(b) STOCK PRICES - FPH's quarterly average stock prices at the PSE are summarized as follows:

	Common	
	High	Low
2025		
First Quarter	**₱61.30**	**₱56.50**
2024		
First Quarter	**₱66.00**	**₱62.10**
Second Quarter	**66.00**	**62.00**
Third Quarter	**64.00**	**60.50**
Fourth Quarter	**61.50**	**58.40**
2023		
First Quarter	₱65.80	₱59.50
Second Quarter	65.00	60.00
Third Quarter	63.95	58.45
Fourth Quarter	63.50	59.00
2022		
First Quarter	₱71.90	₱68.60
Second Quarter	70.40	60.00
Third Quarter	66.20	60.20
Fourth Quarter	63.00	59.80

FPH was trading at ₱56.50 per share as at March 31, 2025.

(c) DIVIDENDS PER SHARE – FPH recently declared and paid the following dividends:

	Declaration and Payment		
	2024	2023	2022
Common Shares	₱2.20	₱2.20	₱2.20

The number of common shareholders of record as at December 31, 2024 and March 31, 2025 were 11,854 and 11,845, respectively. As at December 31, 2024 and March 31, 2025, common stocks issued and subscribed were 462,713,791.

Top 20 Stockholders of Common Stocks as at March 31, 2025

Rank	Name	Number of Shares	Percentage
1	LOPEZ HOLDINGS CORPORATION	257,532,061	55.66%
2	PCD NOMINEE CORPORATION (FILIPINO)	121,552,971	26.27%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	14,318,281	3.09%
4	JOSEFINA MULTI-VENTURES CORPORATION	7,558,875	1.63%
5	SOCIAL SECURITY SYSTEM	5,683,182	1.23%
6	FEDERICO RUFINO LOPEZ	4,476,821	0.97%
7	CROSLO HOLDINGS CORPORATION	3,130,991	0.68%
8	PRYCE CORPORATION	2,840,625	0.61%
9	FRANCIS GILES B. PUNO	2,697,012	0.58%
10	MANTES CORPORATION	2,414,839	0.52%
11	ELPIDIO L. IBANEZ	1,955,777	0.42%
12	MA. CONSUELO R. LOPEZ	1,636,214	0.35%
13	PRYCE GASES, INC.	1,308,240	0.28%
14	PACIFIC PLATINUM INVESTMENT CORPORATION	1,140,260	0.25%
15	VCY SALES CORPORATION	1,092,000	0.24%
16	PGI RETIREMENT FUND, INC.	972,390	0.21%
17	DANILO C. LACHICA	624,210	0.13%
18	ANGELA CRISTINA R. LOPEZ	617,495	0.13%
19	BENJAMIN R. LOPEZ	616,497	0.13%
20	MA. PRESENTACION L. ABELLO	616,495	0.13%
	ELVIRA L. BAUTISTA	616,495	0.13%
	FEDERICO R. LOPEZ	616,495	0.13%
	BEATRIZ EUGENIA L. PUNO	616,495	0.13%
	MERCEDES L. VARGAS	616,495	0.13%

Recent Sales of Unregistered Securities

RECENT SALES OF UNREGISTERED/ EXEMPT SECURITIES

FPH has not sold or issued unregistered/ exempt securities in the past three (3) years.

Item 6. Management's Discussion and Analysis or Plan of Operation

The following management's discussion and analysis of the FPH Group's financial condition and results of operations should be read in conjunction with the accompanying audited consolidated financial statements and the related notes as of December 31, 2024 and 2023 and for each of the three years for the period ended December 31, 2024. This discussion includes forward-looking statements, which may include statements regarding future results of operations, financial condition or business prospects, which are subject to significant risks, uncertainties and other factors and are based on the Group's current expectations, some of which are beyond the Group's control and are difficult to predict. These statements involve risks and uncertainties and the actual results may differ materially from those anticipated in these forward-looking statements.

OVERVIEW

The Group's operating businesses are organized and managed according to segments defined based on the nature of the products and services, with each segment representing a strategic business unit that offers different products and services to different markets. The Group conducts the majority of its business activities in the following areas:

- Power Generation – power generation and related subsidiaries under First Gen Corporation (First Gen) including Energy Development Corporation (EDC) and its subsidiaries.

- Real Estate Development – residential and commercial real estate development and leasing under Rockwell Land Corporation (Rockwell Land), and sale and lease of industrial lots and lease of ready-built factories and commercial spaces under First Philippine Industrial Park, Inc. (FPIP).

- Energy Solutions – primarily pertaining to the production of electrical transformers under First Philippine Electric Corporation (First Philec).

- Construction and Other Services – construction contracts under First Balfour, Inc. (First Balfour), geothermal well drilling services from First Balfour's subsidiary, ThermaPrime Drilling Corporation (ThermaPrime), specialized healthcare services from The Medical Services of America (Philippines), Inc. (MSA-PH), Asian Eye Institute (AEI) and Pi Health Inc. (Pi Health), senior high and college education provided by First Industrial Science and Technology College, Inc. (First College), and other service and investment holding companies within the Group.

Financial information about the business segments follows:

	2024					
(In Millions)	**Power Generation**	**Real Estate Development**	**Energy Solutions**	**Construction and Other Services**	**Eliminations**	**Consolidated**
Revenues:						
External sales	**₱137,337**	**₱19,132**	**₱5,663**	**₱4,978**	**₱–**	**₱167,110**
Inter-segment sales	–	–	–	**11,212**	**(11,212)**	–
Equity in net earnings of associates and joint ventures	**(26)**	**381**	–	**14,982**	**(15,034)**	**303**
Total revenues	**137,311**	**19,513**	**5,663**	**31,172**	**(26,246)**	**167,413**
Costs and expenses	**(93,202)**	**(13,016)**	**(4,182)**	**(15,012)**	**10,653**	**(114,759)**
Depreciation and amortization	**(15,907)**	**(1,148)**	**(105)**	**(1,158)**	**317**	**(18,001)**
Finance income	**1,665**	**534**	**45**	**110**	–	**2,354**
Finance costs	**(6,511)**	**(1,869)**	**(47)**	**(964)**	–	**(9,391)**
Foreign exchange gain (loss)	**362**	**(13)**	**47**	**64**	–	**460**
Other income (charges)	**256**	**1,582**	**12**	**2,003**	**(673)**	**3,180**
Income before income tax	**23,974**	**5,583**	**1,433**	**16,215**	**(15,949)**	**31,256**
Provision for income tax	**4,709**	**1,257**	**275**	**364**	**(94)**	**6,511**
Net income (loss)	**₱19,265**	**₱4,326**	**₱1,158**	**₱15,851**	**(₱15,855)**	**₱24,745**

				2023		
(In Millions)	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
Revenues:						
External sales	₱137,691	₱16,184	₱5,368	₱5,709	₱–	₱164,952
Inter-segment sales	–	–	–	4,838	(4,838)	–
Equity in net earnings of associates and joint ventures	(28)	464	–	15,361	(15,441)	356
Total revenues	137,663	16,648	5,368	25,908	(20,279)	165,308
Costs and expenses	(94,289)	(12,383)	(4,067)	(10,644)	4,690	(116,693)
Depreciation and amortization	(12,767)	(994)	(68)	(929)	277	(14,481)
Finance income	1,881	2,054	40	143	–	4,118
Finance costs	(5,527)	(1,700)	(27)	(853)	–	(8,107)
Foreign exchange gain (loss)	9	(4)	(10)	(12)	–	(17)
Other income (charges)	2,536	919	11	1,839	(689)	4,616
Income before income tax	29,506	4,540	1,247	15,452	(16,001)	34,744
Provision for income tax	4,508	913	232	91	(56)	5,688
Net income (loss)	₱24,998	₱3,627	₱1,015	₱15,361	(₱15,945)	₱29,056

				2022		
(In Millions)	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
Revenues:						
External sales	₱144,133	₱14,823	₱4,838	₱6,544	₱–	₱170,338
Inter-segment sales	–	–	–	3,982	(3,982)	–
Equity in net earnings of associates and joint ventures	(11)	376	–	13,076	(13,008)	433
Total revenues	144,122	15,199	4,838	23,602	(16,990)	170,771
Costs and expenses	(103,592)	(12,085)	(3,586)	(9,744)	3,586	(125,421)
Depreciation and amortization	(11,732)	(1,035)	(71)	(1,020)	246	(13,612)
Finance income	498	1,478	9	52	–	2,037
Finance costs	(4,752)	(1,266)	(15)	(460)	–	(6,493)
Foreign exchange gain (loss)	(87)	16	103	61	–	93
Other income (charges)	610	1,320	9	1,606	(705)	2,840
Income before income tax	25,067	3,627	1,287	14,097	(13,863)	30,215
Provision for income tax	5,095	826	266	216	(62)	6,341
Net income (loss)	₱19,972	₱2,801	₱1,021	₱13,881	(₱13,801)	₱23,874

FINANCIAL HIGHLIGHTS *(As of and for the years ended December 31, 2024 and 2023)*

The financial highlights and analyses of account movements for the comparative periods are in Philippine pesos (unless specifically indicated), which is the FPH's functional currency. The financial statements of the consolidated subsidiaries and associates with functional currency other than the Philippine peso such as the First Gen group are translated to Philippine peso as follows:

- *Assets and liabilities using the spot rate of exchange prevailing at financial reporting date;*
- *Components of equity using historical exchange rates; and*
- *Income and expenses using the monthly weighted average exchange rate.*

The table below summarizes the relevant exchange rates used throughout the comparative periods:

Translation Basis	*2024*	*2023*	*2022*	*% Change 2023 to 2024*	*% Change 2022 to 2023*
Year-end spot rate US$1 to Php	*57.845*	*55.370*	*55.755*	*4%*	*-1%*
Average exchange rate US$1 to Php	*57.034*	*55.639*	*54.049*	*3%*	*3%*

Whenever necessary, the impact of exchange rate movements are separately discussed in order to properly explain the movement in account balances in conjunction with business results and transactions.

<u>Consolidated Statements of Income (Results of Operations)</u>
For the years ended December 31, 2024 vs. December 31, 2023

Revenues

The Group's consolidated revenues for the year ended December 31, 2024 modestly improved by ₱2.2 billion or 1% from last year's ₱164.9 billion to ₱167.1 billion mainly on account of the following:

- Sale of electricity was slightly down but managed to close at ₱138 billion level (from ₱137.9 billion to ₱137.6 billion), same as last year, on the back of the counterbalancing movements of the topline results of the power plants. Santa Rita and San Lorenzo natural gas plants posted higher fuel revenues resulting from LNG consumption, higher average natural gas prices and higher Net Dependable Capacity (NDC). These were supplemented by the fresh contributions from the spot market and contracted sales of the Casecnan hydro power plant. These upturns were, however, tempered by the slowdown in the electricity sales of EDC mostly reflecting the lower volume sold and also of the San Gabriel gas plant following the expiry of its Power Supply Agreement (PSA) with Meralco in February 2024 and the scheduled major maintenance outage that was also completed in the first quarter of 2024.

- Sale of real estate was up by ₱2.6 billion or 22% (from ₱11.9 billion to ₱14.5 billion) mainly due to the upturn in Rockwell Land's sales bookings and construction completion and accomplishments this year for its residential development projects.

- Revenues from contracts and services declined by ₱485 million or 5% (from ₱10.5 billion to ₱10.0 billion) primarily pertaining to the decline in First Balfour group's construction revenues from third parties. First Balfour's major projects with external customers in 2024 are the North–South Commuter Railway and STT Fairview hyperscale data center in contrast with its projects in 2023, such as the Eastbay Water Treatment Plant, Cebu-Cordova Link Expressway (CCLEX), Batangas Combined Cycle Power Plant, St. Luke's Medical Center Pivot Building, and the Hermosa-San Jose Overhead Transmission Line (OTL). This downturn was partly mitigated by the following: (1) the improvement in Rockwell's lease income following higher average rental and occupancy rate of its Retail and Office Leasing Segments brought about by the higher average rental rate of retail and office segment and the additional leasable area of Proscenium Retail Row, and (2) the increase in FPIP's recurring industrial land lease and Ready-Built Factory (RBF) rental due to additional contracts with new locators and contract renewals with existing locators as well as higher water revenues from increased volume and tariff rates.

- Sale of Merchandise improved by ₱330 million or 7% (from ₱4.6 billion to ₱4.9 billion) mainly on account of First Philec, Inc.'s (FPI) stronger revenues from sale of transformers to both domestic and export markets.

Net Income

Consolidated net income declined by ₱4.3 billion or 15% (from ₱29.0 billion to ₱24.7 billion) mainly caused by the lower consolidated margins from business operations, exacerbated by the lower net one-off gains posted this year as compared to the significant amount of non-recurring proceeds from construction delay and insurance claims received in 2023.

Net Income Attributable to Equity Holders of the Parent

Net income attributable to equity holders of the Parent likewise posted a downturn by ₱750 million or 5% (from ₱15.1 billion to ₱14.3 billion) primarily resulting from the downtick in the earnings contribution of the Power Generation business segment, partly mitigated by the improved results of the Real Estate and Energy Solutions segment. Excluding FPH's share in non-recurring items mainly pertaining to the proceeds from insurance claims, gain on bargain purchase and investment remeasurement, and the foreign exchange-related movements during the year, the Recurring Net Income (RNI) attributable to equity holders of the Parent was steady at ₱13.8 billion which reflects the steady operating performance of the Group.

Detailed discussions of the material changes in the line items of the Group's Consolidated Statements of Income are presented in the succeeding sections of this report.

Consolidated Statements of Financial Position
As of December 31, 2024 vs. December 31, 2023

Assets

Total assets of the Group increased by ₱54.7 billion or 12%, from ₱472.2 billion to ₱526.9 billion, as a result of the following major movements:

- Inventories – increased by ₱9.0 billion or 21% (from ₱42.8 billion to ₱51.8 billion) reflecting the higher year-end balances of First Gen's spare parts and supplies, and of Rockwell Land's real estate inventories.

- Property, plant and equipment - net – higher by ₱34.3 billion or 22% (from ₱159.0 billion to ₱193.3 billion) reflecting the turnover of the Casecnan Hydro Electric powerplant (Casecnan plant) assets to First Gen in February 2024 and the capital expenditures of EDC mainly from its drilling and expansion activities.

- Goodwill and intangible assets– increased by ₱18.2 billion or 37% (from ₱49.4 billion to ₱67.6 billion) following the turnover of the Casecnan plant to First Gen in February 2024 which resulted in the recognition of intangible asset on the acquired Operations and Maintenance (O&M) agreements.

- Trade and other receivables - net – grew by ₱5.3 billion or 17% (from ₱31.2 billion to ₱36.5 billion) primarily on account of the higher year-end receivables of First Gen from Meralco and of Rockwell Land from its residential development projects.

These upturns were partly tempered by the decline in Cash and cash equivalents (including Short-term investments) – by ₱16.2 billion or 23% (from ₱69.1 billion to ₱52.9 billion) mainly representing the cash used in the acquisition of the Casecnan plant, coupled with the share buybacks and various scheduled principal, interest, and cash dividend payments of the Group. These were partly tempered by the cash generated from operations, proceeds from loan availments and refinancing made during the year. (see Consolidated Statements of Cash Flows)

Detailed explanations of significant movements in asset accounts are presented in the succeeding sections.

Liabilities and Equity

Total liabilities and equity of the Group rose by ₱54.7 billion or 12% (from ₱472.2 billion to ₱526.9 billion) primarily due to the following major movements:

- Long-term debts - current and noncurrent – upswing by ₱33.7 billion or 27% (from ₱123.4 billion to ₱157.1 billion) primarily on account of the drawdowns and refinancing made by the First Gen group, Rockwell and First Balfour group.

- Total equity posted an increase of ₱26.1 billion or 11% (from ₱244.9 billion to ₱271.0 billion) brought about by the following: (1) the Group's total consolidated net income for the year, (2) the fair value gains on financial assets at FVOCI, and (3) the increase in Non-Controlling Interest due to the consolidation of the Rockwell Nepo Development Corporation (RNDC) (from joint venture to subsidiary) to Rockwell Land effective January 2024 and the completion of Tokyo Gas' acquisition of 20% stake in FGEN LNG Corporation (FGEN LNG). These were partly reduced by the cash dividend declarations, purchase of treasury shares, and the downward adjustment in the beginning Retained Earnings resulting from Rockwell Land's adoption of the accounting standards on Significant Financing Component.

Detailed explanations of material movements in liabilities and equity accounts are presented in the succeeding sections.

DETAILED ANALYSIS OF MATERIAL CHANGES

Consolidated Statements of Income (Results of Operations)

Horizontal and Vertical Analyses of Material Changes for the years ended Dec. 31, 2024 vs. 2023

Php in millions	Years Ended December 31		Horizontal Analysis Increase/(Decrease)		Vertical Analysis December 31	
	2024	2023	Amount	%	2024	2023
REVENUES						
Sale of electricity	**₱137,630**	₱137,946	(₱316)	0%	82%	84%
Sale of real estate	**14,578**	11,949	2,629	22%	9%	7%
Contracts and services	**10,005**	10,490	(485)	-5%	6%	6%
Sale of merchandise	**4,897**	4,567	330	7%	3%	3%
	167,110	164,952	2,158	1%	100%	100%
COSTS AND EXPENSES						
Costs of sale of electricity	**93,945**	93,935	10	0%	-56%	-57%
Real estate sold	**9,722**	9,478	244	3%	-6%	-6%
Contracts and services	**4,310**	5,881	(1,571)	-27%	-3%	-4%
Cost of sale of merchandise	**3,349**	3,040	309	10%	-2%	-2%
General and administrative expenses	**21,434**	18,840	2,594	14%	-13%	-11%
	132,760	131,174	1,586	1%	-79%	-80%
OTHER INCOME (CHARGES)						
Finance costs	**(9,391)**	(8,107)	(1,284)	16%	-6%	-5%
Finance income	**2,354**	4,118	(1,764)	-43%	1%	2%
Dividend income	**1,029**	1,061	(32)	-3%	1%	1%
Foreign exchange gains (losses) - net	**460**	(17)	477	2806%	0%	0%
Equity in net earnings of associates and joint ventures	**303**	356	(53)	-15%	0%	0%
Other income - net	**2,151**	3,555	(1,404)	-39%	1%	2%
	(3,094)	966	(4,060)	420%	-2%	1%
INCOME BEFORE INCOME TAX	**31,256**	34,744	(3,488)	-10%	19%	21%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	**6,347**	6,366	(19)	0%	-4%	-4%
Deferred	**164**	(678)	842	124%	0%	0%
	6,511	5,688	823	14%	-4%	-3%
NET INCOME	**₱24,745**	₱29,056	(₱4,311)	-15%	15%	18%
Attributable To						
Equity holders of the Parent	**₱14,316**	₱15,066	(₱750)	-5%	9%	9%
Non-controlling Interests	**10,429**	13,990	(3,561)	-25%	6%	8%
	₱24,745	₱29,056	(₱4,311)	-15%	15%	18%
Earnings Per Share for Net Income Attributable to the Equity Holders of the Parent						
Basic/ Diluted	₱30.89	₱32.22	(₱1.32)	-4%		

Revenues

The Group's consolidated revenues for the year ended December 31, 2024 totaled ₱167.1 billion, higher by ₱2.2 billion or 1% compared to the previous year. This reflected the stronger sale of real estate and sale of merchandise, partly reduced by the downturn in sale of electricity and contracts and services (see discussions above).

Costs and expenses

Consolidated costs and expenses increased by ₱1.6 billion or 1% (from ₱131.2 billion to ₱132.8 billion) and accounted for 79% and 80% of total revenues for 2024 and 2023, respectively. Details of costs and expenses line items as well as significant changes for the comparative periods are discussed as follows:

Cost of sale of electricity – was steady at ₱94.0 billion and accounted for 56% and 57% of total revenues for 2024 and 2023, respectively. This mainly reflects the following counterbalancing movements from the power plants (a) lower fuel expense of San Gabriel as a result of its lower dispatch due to its PSA expiration and planned major outage, partially offset by higher LNG consumption by the gas plants and higher natural gas prices, (b) higher spending for power plant, steamfield maintenance and workover activities of the geothermal plants of EDC , and (c) the full-year costs (including leases and depreciation) incurred by the FGEN LNG terminal for the operation of its Floating Storage Regasification Unit (FSRU), tugboats and multi-purpose jetty, among others.

Cost of real estate sold – up by ₱244 million or 3% (from ₱9.5 billion to ₱9.7 billion) and accounted for 6% of total revenues for both years. The movement primarily reflects the higher cost recognized by Rockwell Land following improved sales booking and higher project completion.

Cost of contracts and services – declined by ₱1.6 billion or 27% (from ₱5.9 billion to ₱4.3 billion) and accounted for 3% and 4% of total revenues for 2024 and 2023, respectively. This was largely caused by the decline in First Balfour's direct costs following lower completion of ongoing construction projects from external customers.

Cost of sale of merchandise – higher by ₱309 million or 10% (from ₱3.0 billion to ₱3.3 billion) and accounted for 2% of total revenues for both years. This primarily reflects the upturn in FPI's sale of transformer units.

General and administrative expenses – increased by ₱2.6 billion or 14% (from ₱18.8 billion to ₱21.4 billion) and accounted for 13% and 11% of total revenues for 2024 and 2023, respectively. This was largely driven by higher personnel costs, professional fees, insurance expenses, and taxes and licenses incurred during the year.

Finance costs

Finance costs increased by ₱1.3 billion or 16% (from ₱8.1 billion to ₱9.4 billion) and accounted for 6% and 5% of total revenues for 2024 and 2023, respectively. The increment was primarily due to higher interest expenses incurred by the Group from new loans availed in 2024.

Finance income

Finance income declined by ₱1.8 billion or 43% (from ₱4.1 billion to ₱2.3 billion) and accounted for 1% and 2% of total revenues for 2024 and 2023, respectively. The downturn was primarily due to the lower interest income posted by Rockwell Land resulting from the adoption of the significant financing component coupled with the combined lower average balance of short-term placements of the First Gen group.

Foreign exchange gains (losses) – net

This account posted a turnaround of ₱477 million or 2,806% (from ₱17 million loss to ₱460 million gain) and accounted for less than 1% of total revenues for both years. This was primarily due to the impact of the restatement of dollar-denominated accounts to Philippine peso at year-end (refer to foreign exchange table above).

Equity in net earnings of associates and joint ventures

This account declined by ₱53 million or 15% (from ₱356 million to ₱303 million) and accounted for less than 1% of total revenues for both years. This was largely on account of the reclassification of Rockwell Land's investment in RNDC due to its consolidation starting 2024, coupled with the net loss reported by RIDC.

Others- net

Other income was lower by ₱1.4 billion or 39% (from ₱3.5 billion to ₱2.1 billion) and accounted for 1% and 2% of total revenues for 2024 and 2023, respectively. This was largely on account of the lower proceeds from insurance claims and the absence of proceeds from construction delay claims of the First Gen group in 2024.

Income before income tax

As a result of the foregoing, income before income tax for the year declined by ₱3.5 billion or 10%, from ₱34.7 billion in 2023 to ₱31.2 billion in 2024.

Provision for income tax

Provision for income tax was higher by ₱823 million or 14% (from ₱5.7 billion to ₱6.5 billion) and accounted for 4% and 3% of total revenues for 2024 and 2023, respectively. This increase was due to the ₱842 million reversal of the deferred income tax (DIT) benefit last year to ₱164 million provision for DIT this 2024 primarily on account of the foreign exchange movement of the Philippine Peso against the U.S. Dollar and the increase in deferred tax liabilities on non-monetary assets of First Gen's San Gabriel plant.

Net Income

Consolidated net income declined by ₱4.3 billion or 15% (from ₱29.1 billion to ₱24.7 billion) mainly resulting from higher finance costs, largely due to First Gen, exacerbated by the lower net one-off gains posted this year as compared to the significant amount of non-recurring proceeds from construction delay and insurance claims received in 2023.

Net Income Attributable to Equity Holders of the Parent

Net income attributable to equity holders of the Parent was also lower by ₱750 million or 5% (from ₱15.1 billion to ₱14.3 billion) largely on account of the reduction in the Parent's share in earnings from the Power Generation sector, but partly tempered by the growth in earnings contribution delivered by the Real Estate and Energy Solutions segments. Excluding one-off gains and losses, RNI attributable to equity holders of the Parent was steady at ₱13.8 billion. The Parent Company's share in net one-off gains and losses mainly pertain to the proceeds from insurance claims, gain on bargain purchase and investment remeasurement, and foreign exchange and DIT movements during the year.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interest likewise slid by ₱3.6 billion or 25% (from ₱14.0 billion to ₱10.4 billion) mainly due to the drop in the share in earnings of the non-controlling interest following the decline in the bottomline of First Gen. The significant portion of this account pertains to the share of non-controlling stockholders of First Gen, EDC, Rockwell Land and FPIP to the consolidated net income.

Earnings per share (EPS)

Basic/diluted EPS for the year amounted to ₱30.89 while last year's basic/diluted EPS stood at ₱32.22. The ₱1.32 or 4% downtick reflects the decline in the Net Income attributable to equity holders of the Parent partly tempered by the lower outstanding common stock as at December 31, 2024 after the Parent's share buy-back transactions during the year.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 vs. December 31, 2023

Php in millions	**Years Ended December 31**		Horizontal Analysis Increase/(Decrease)	
	2024	2023	Amount	%
NET INCOME	**₱24,745**	₱29,056	(₱4,311)	-15%
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (losses) to be reclassified to profit or loss in subsequent periods:				
Exchange gains (losses) on foreign currency translation	**319**	(445)	764	172%
Net losses on cash flow hedges deferred in equity - net of tax	**(10)**	(76)	66	87%
	309	(521)	830	159%
Other comprehensive income (losses) not to be reclassified to profit or loss in subsequent periods:				
Unrealized fair value gains on financial assets at FVOCI	**2,927**	5,441	(2,514)	-46%
Remeasurement losses of retirement and other post-employment benefits - net of tax	**(49)**	(2,759)	2,710	98%
	2,878	2,682	196	7%
TOTAL COMPREHENSIVE INCOME	**₱27,932**	₱31,217	(₱3,285)	-11%
Attributable To				
Equity holders of the Parent	**₱18,554**	₱17,584	₱970	6%
Non-controlling Interests	**9,378**	13,633	(4,255)	-31%
	₱27,932	₱31,217	(₱3,285)	-11%

Total comprehensive income for the year

Total comprehensive income declined by ₱3.3 billion or 11% (from ₱31.2 billion to ₱27.9 billion). The major movements in the comprehensive income of the Group were as follows:

1. Consolidated net income dropped by ₱4.3 billion or 15% (from ₱29.0 billion to ₱24.7 billion) due to factors discussed in the preceding sections.

2. Exchange gains on foreign currency translation amounting ₱319 million were posted this year compared to ₱445 million exchange losses in 2023, a reversal of ₱764 million or 172% mainly due to the translation of First Gen's U.S. dollar- denominated financial statements into Philippine peso for financial consolidation purposes (refer to foreign exchange table above).

3. Net losses on cash flow hedge deferred in equity amounted to ₱10 million, ₱66 million or 87% lower from ₱76 million net losses in 2023 pertaining to the unfavorable fair value changes in EDC's and Rockwell Land's respective cash flow hedges taken into equity during the year.

4. Unrealized fair value gains on financials assets at FVOCI, which largely pertains to the movements in the fair value of Meralco and Lopez Holdings shares held by the Group, reported a ₱2.5 billion or 46% reduction (from ₱5.4 billion to ₱2.9 billion) mostly caused by lesser year-on-year growth of Meralco share price (₱89 per share or 22% uptick this 2024 compared to the ₱100.2 per share or 34% upturn last year). This was aggravated by the decline in the share price of Lopez Holdings by ₱1.55 per share or 36% this 2024 compared to an increase of ₱1.30 per share or 44% upturn in 2023.

Closing Market Prices (PHP)	Dec. 31, 2024	Dec. 31, 2023	% Change	Dec. 31, 2023	Dec. 31,2022	% Change
Meralco	488.0	399.0	22%	399.0	298.8	34%
Lopez Holdings	2.70	4.25	-36%	4.25	2.95	44%

5. Remeasurement losses of retirement and other post-employment benefits - net of tax- posted a lower losses of ₱49 million, ₱2.7 billion or 98% decline from last year's ₱2.8 billion losses, mainly reflecting the changes in financial assumptions and experience adjustments of the defined benefit obligation.

Total comprehensive income for the year attributable to equity holders of the Parent

Total comprehensive income attributable to equity holders of the Parent improved by ₱970 million or 6% (from ₱17.6 billion to ₱18.6 billion) as the Parent's share in lower losses posted from the remeasurement of retirement and other post-employment benefits and in the exchange gains on foreign currency translation more than made up for the decline in the net income attributable to the equity holders of the Parent and the lower unrealized fair value gains on financial assets at FVOCI recognized during the year.

Total comprehensive income for the year attributable to non-controlling interests

Total comprehensive income attributable to non-controlling interests (NCI) slid by ₱4.2 billion or 31% (from ₱13.6 billion to ₱9.4 billion) primarily caused by the drop in attributable net income during the year.

(continued next page)

Consolidated Statements of Financial Position

As of December 31, 2024 and 2023

Php in millions	Years Ended December 31		Horizontal Analysis Increase/Decrease		Vertical Analysis December 31	
	2024	2023	Amount	%	2024	2023
ASSETS						
Current Assets						
Cash and cash equivalents	**₱52,728**	₱65,250	(₱12,522)	-19%	10%	14%
Short-term investments	**200**	3,857	(3,657)	-95%	0%	1%
Trade and other receivables - net	**36,544**	31,237	5,307	17%	7%	7%
Current portion of contract assets	**7,102**	9,238	(2,136)	-23%	1%	2%
Inventories	**51,755**	42,768	8,987	21%	10%	9%
Prepayments and other current assets	**14,736**	14,113	623	4%	3%	3%
Other current financial assets	**320**	362	(42)	-12%	0%	0%
Total Current Assets	**163,385**	**166,825**	(3,440)	-2%	31%	35%
Noncurrent Assets						
Property, plant and equipment - net	**193,357**	159,008	34,349	22%	37%	34%
Goodwill and intangible assets	**67,620**	49,384	18,236	37%	13%	10%
Investment properties - net	**23,415**	22,854	561	2%	4%	5%
Financial assets at fair value through other comprehensive income (FVOCI)	**24,919**	21,836	3,083	14%	5%	5%
Investments in associates and joint ventures	**6,402**	7,560	(1,158)	-15%	1%	2%
Contract assets- net of current portion	**9,379**	6,111	3,268	53%	2%	1%
Other noncurrent financial assets	**1,880**	2,210	(330)	-15%	0%	0%
Deferred tax assets - net	**2,107**	2,121	(14)	-1%	0%	0%
Other noncurrent assets	**34,474**	34,266	208	1%	7%	7%
Total Noncurrent Assets	**363,553**	305,350	58,203	19%	69%	65%
TOTAL ASSETS	**₱526,938**	₱472,175	₱54,763	12%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**₱66,586**	₱63,757	₱2,829	4%	13%	14%
Loans payable	**3,889**	8,666	(4,777)	-55%	1%	2%
Income tax payable	**1,162**	1,013	149	15%	0%	0%
Current portion of long-term debt	**22,795**	22,659	136	1%	4%	5%
Total Current Liabilities	**94,432**	96,095	(1,663)	-2%	18%	20%
Noncurrent Liabilities						
Long-term debt - net of current portion	**134,318**	100,765	33,553	33%	25%	21%
Deferred tax liabilities - net	**2,750**	3,272	(522)	-16%	1%	1%
Retirement and other long-term employee benefits liabilities	**5,109**	5,041	68	1%	1%	1%
Asset retirement and preservation obligations	**4,027**	3,798	229	6%	1%	1%
Other noncurrent liabilities	**15,330**	18,310	(2,980)	-16%	3%	4%
Total Noncurrent Liabilities	**161,534**	131,186	30,348	23%	31%	28%
Total Liabilities	**255,966**	227,281	28,685	13%	49%	48%
Equity						
Common stock	**6,096**	6,096	-	0%	1%	1%
Capital in excess of par value	**4,076**	4,076	-	0%	1%	1%
Treasury stock	**(9,947)**	(9,893)	(54)	1%	-2%	-2%
Accumulated unrealized fair value gains on financial assets at FVOCI	**12,981**	10,075	2,906	29%	2%	2%
Cumulative translation adjustments	**(2,576)**	(3,947)	1,371	-35%	0%	-1%
Equity reserve	**(8,459)**	(8,459)	-	0%	-2%	-2%
Retained earnings						
Unappropriated	**130,832**	118,121	12,711	11%	25%	25%
Appropriated	**32,700**	32,700	-	0%	6%	7%
Equity Attributable to Equity Holders of the Parent	**165,703**	148,769	16,934	11%	31%	32%
Non-controlling Interests	**105,269**	96,125	9,144	10%	20%	20%
Total Equity	**270,972**	244,894	26,078	11%	51%	52%
TOTAL LIABILITIES AND EQUITY	**₱526,938**	₱472,175	₱54,763	12%	100%	100%

Assets

As at December 31, 2024, the Group's consolidated assets grew to ₱526.9 billion, higher by ₱54.7 billion or 12% compared to the December 31, 2023 consolidated balance of ₱472.2 billion. The material changes in asset accounts are discussed as follows:

Cash and cash equivalents and Short-term investments – decreased by a total amount of ₱16.2 billion or 23% (from ₱69.1 billion to ₱52.9 billion) and accounted for 10% and 15% of total assets for 2024 and 2023, respectively. The downturn represents the cash used primarily on First Gen's acquisition of the Casecnan power plant, investment in LNG project, and higher drilling and expansion activities of EDC, coupled with the various scheduled principal, interest, cash dividend, and share buyback payments of the Group. These were partly offset by the cash generated from the Group's operating activities and the proceeds from loan drawdowns and refinancing made by First Gen, Rockwell, and First Balfour during the year. (see Consolidated Statements of Cash Flows)

Trade and other receivables - net – up by ₱5.3 billion or 17% (from ₱31.2 billion to ₱36.5 billion) and accounted for 7% of total assets for both years. The increase mainly pertains to the higher trade receivables of First Gen from Meralco for the Santa Rita and San Lorenzo plants, which includes the unpaid billings related to the LNG terminal fees and the implementation of the new Gas Sale and Purchase Agreement (GSPA). The higher installment contract receivable of Rockwell Land from its Nara Residences, Mactan and 32 Sanson projects likewise contributed to the growth in year-end receivables.

Contract assets- current and non-current – higher by ₱1.1 billion or 7% (from ₱15.3 billion to ₱16.4 billion) and accounted for 3% of total assets for both years. This mainly reflects Rockwell Land's lower construction completion on its residential development projects, particularly the 8 Benitez, Mactan and Nara Residences.

Inventories – increased by ₱9.0 billion or 21% (from ₱42.8 billion to ₱51.8 billion) and accounted for 10% and 9% for 2024 and 2023, respectively. This largely pertains to the higher year-end balances of First Gen's spare parts and supplies inventories from EDC's purchases for Leyte and drilling-related activities, and of Rockwell's land inventory due to land acquisitions and the consolidation of RNDC in 2024.

Other current financial assets – declined by ₱42 million or 12% (from ₱362 million to ₱320 million) and accounted for less than 1% of total assets for both years. The decline was mainly due to the lower year-end balance of Rockwell Land's restricted cash intended for the payment of land acquired during the year.

Property, plant and equipment- net – increased by ₱34.3 billion or 22% (from ₱159.0 billion to ₱193.3 billion) and accounted for 37% and 34% of total assets for 2024 and 2023, respectively. The increase was largely on account of the turnover of the Casecnan plant assets to First Gen in February 2024 coupled with the capital expenditures of EDC mainly from its drilling and expansion activities.

Goodwill and intangible assets – up by ₱18.2 billion or 37% (from ₱49.4 billion to ₱67.6 billion) and accounted for 13% and 10% of total assets for 2024 and 2023, respectively. The increase primarily reflects the turnover of the Casecnan plant to First Gen in February 2024 which resulted in the recognition of intangible asset on the acquired O&M agreements.

Financial assets at FVOCI – increased by ₱3.1 billion or 14% (from ₱21.8 billion to ₱24.9 billion) and accounted for 5% of total assets for both years. The growth mainly pertains to the combined 22% uptick in stock price of the Meralco shares partly reduced by the 36% decline in stock price of the Lopez Holdings shares held by the Group.

Investments in associates and joint ventures – lower by ₱1.2 billion or 15% (from ₱7.6 billion to ₱6.4 billion) and accounted for 1% and 2% of total assets for 2024 and 2023, respectively. The decline was largely on account of the reclassification of Rockwell Land's investment in RNDC from an associate to a subsidiary (which was eliminated upon consolidation) following the step-up acquisition that was completed in January 2024.

Other noncurrent financial assets – down by ₱330 million or 15% (from ₱2.2 billion to ₱1.9 billion) and accounted for less than 1% of total assets for both years. The downward movement reflects the lower year-end balances of derivative assets and special deposits and funds of First Gen.

Asset accounts that were not discussed above had no significant movements from 2023 to 2024.

Liabilities and equity

As at December 31, 2024, the Group's consolidated liabilities and equity stood at ₱526.9 billion, higher by ₱54.7 billion or 12% compared to the December 31, 2023 consolidated balance of ₱472.2 billion. Material movements in liabilities and equity accounts are discussed as follows:

Loans payable – lower by ₱4.8 billion or 55% (from ₱8.7 billion to ₱3.9 billion) and accounted for 1% and 2% of total liabilities and equity for 2024 and 2023, respectively. The downturn was primarily caused by net-settlement of First Gen following the payments of Santa Rita, San Lorenzo and San Gabriel of its respective short-term loans, partially offset by new availments by Santa Rita and San Lorenzo.

Income tax payable – increased by ₱149 million or 15% (from ₱1.0 billion to ₱1.1 billion) and accounted for less than 1% of total liabilities and equity for both years. This was primarily due to higher income tax due for First Gen group due to lower available Creditable Withholding Tax (CWT) certificates to be applied against income tax payable, as well as FRLC's contribution to income tax payable in 2024.

Long-term debt, including current portion – higher by ₱33.7 billion or 27% (from ₱123.4 billion to ₱157.1 billion) and accounted for 30% and 26% total liabilities and equity for 2024 and 2023, respectively. The rise was primarily on account of the new loan availments and refinancings obtained by the First Gen and First Balfour groups and of Rockwell Land partly offset by the various scheduled principal payments of the Group. The issuance of EDC's ASEAN Green Bonds in the first half of 2024 likewise contributed to the increase.

Deferred tax liabilities – down by ₱522 million or 16% (from ₱3.3 billion to ₱2.8 billion) and accounted for 1% of total liabilities and equity for both years. The increment resulted primarily from the temporary tax differences arising from transactions of Rockwell Land.

Asset retirement and preservation obligations – higher by ₱229 million or 6% (from ₱3.8 billion to ₱4.0 billion) and accounted for 1% of total liabilities and equity for both years. The movement reflects the accretion of finance costs and revision of estimate recognized by EDC for the rehabilitation and restoration costs which pertains to the present value of estimated costs of legal and constructive obligations required to restore all the existing sites upon termination of the cooperation period.

Other noncurrent liabilities – lower by ₱3.0 billion or 16% (from ₱18.3 billion to ₱15.3 billion) and accounted for 3% and 4% of total liabilities and equity for 2024 and 2023, respectively. This mainly reflects reclassification of the funding received by FGEN LNG from Tokyo Gas for its 20% participating interest in the LNG IOT Project from liability to equity following the Philippine SEC's approval of FGEN LNG's application of confirmation of valuation of Tokyo Gas' and LNG Holding's investments in December 2024.

Total equity attributable to equity holders of the Parent – increased by ₱16.9 billion or 11% (from ₱148.8 billion to ₱165.7 billion) and accounted for 31% and 32% of total liabilities and equity for 2024 and 2023, respectively. The following major items brought about the net increase in the account:

- Retained earnings increased by ₱12.7 billion or 11% (from ₱150.8 billion to ₱163.5 billion) mainly reflecting the net income attributable to the equity holders of the Parent, partly reduced by the downward adjustment related to the adoption of the new accounting standards on Significant Financing Component and the cash dividend declaration during the year;

- Accumulated unrealized fair value gains on financial assets at FVOCI increased by ₱2.9 billion or 29% on account of the upturn in stock price of Meralco, partly reduced by the downtick in stock price Lopez Holdings shares as at December 31, 2024 compared to year-end of 2023;

- Cumulative translation adjustments (negative amount) declined by ₱1.4 billion or 35% (from ₱3.9 billion to ₱2.5 billion) due to the impact of foreign exchange movements to the year-end foreign currency translation rates of the Group's subsidiaries whose functional currency is U.S. dollar.

Non-controlling interests – increased by ₱9.1 billion or 10% (from ₱96.1 billion to ₱105.2 billion) and accounted for 20% of total liabilities and equity for both years. Non-controlling interests represent the portion of net assets not held by the Group, particularly in First Gen and EDC, Rockwell, FPIP, and AEI. The increase was mainly due to the non-controlling interests' share in the Group's net earnings and other comprehensive income for 2024 supplemented by the consolidation of the RNDC to Rockwell Land and the completion of Tokyo Gas acquisition of 20% stake in FGEN LNG this 2024. These were partly reduced by the cash dividend declarations, purchase of treasury shares, and the downward adjustment in the beginning NCI resulting from Rockwell Land's adoption of the accounting standards on Significant Financing Component.

Liabilities and equity accounts that were not discussed above had no significant movements from 2023 to 2024.

For comparability, the financial highlights and discussion of material changes in the Group's Consolidated Statements of Income for the years ended 2023 and 2022 and the Consolidated Statements of Financial Position as of December 31, 2023 and 2022 of the Group are presented in the next section.

FINANCIAL HIGHLIGHTS *(As of and for the years ended December 31, 2023 and 2022)*

The financial highlights and analyses of account movements for the comparative periods are in Philippine pesos (unless specifically indicated), which is the FPH's functional currency. The financial statements of the consolidated subsidiaries and associates with functional currency other than the Philippine peso such as the First Gen group are translated to Philippine peso as follows:

- *Assets and liabilities using the spot rate of exchange prevailing at financial reporting date;*
- *Components of equity using historical exchange rates; and*
- *Income and expenses using the monthly weighted average exchange rate.*

The table below summarizes the relevant exchange rates used throughout the comparative periods:

Translation Basis	2023	2022	2021	% Change 2022 to 2023	% Change 2021 to 2022
Year-end spot rate US$1 to Php	55.370	55.755	50.999	-1%	9%
Average exchange rate US$1 to Php	55.639	54.049	49.082	3%	10%

Whenever necessary, the impact of exchange rate movements are separately discussed in order to properly explain the movement in account balances in conjunction with business results and transactions.

Consolidated Statements of Income (Results of Operations)
For the years ended December 31, 2023 vs. December 31, 2022

Revenues

The Group's consolidated revenues for the year ended December 31, 2023 declined by ₱5.4 billion or 3% from last year's ₱170.3 billion to ₱164.9 billion mainly on account of the following:

- Sale of electricity was down by ₱6.4 billion or 4% (from ₱144.3 billion to ₱137.9 billion) caused by (a) the Santa Rita, San Lorenzo and San Gabriel plants' lower fuel revenues primarily brought about by the lower average fuel prices, lower liquid fuel consumption, and lower combined electricity production, (b) Avion's lower revenues following the decrease in average Wholesale Electricity Spot Market (WESM) and Ancillary Services Procurement Agreement (ASPA) contract prices, (c) EDC's topline downturn mainly reflecting the decline in volume of electricity sold, and (d) Pantabangan Masiway's lower revenues from WESM and ancillary services on account of lower generation.

- Sale of real estate was up by ₱567 million or 5% (from ₱11.4 billion to ₱11.9 billion) mainly due to the upturn in Rockwell Land's sales bookings and construction completion and accomplishments this year for its residential development projects, complemented by the start of revenue recognition on newly launched projects.

- Revenues from contracts and services grew by ₱388 million or 4% (from ₱10.1 billion to ₱10.5 billion) resulting from (1) improvement in Rockwell's lease income following higher average rental and occupancy rate of its Retail and Office Leasing Segments and (2) increase in FPIP's recurring industrial land lease, Ready-Built Factory (RBF) rental and water revenues following additional contracts with new locators and contract renewals with existing locators.

- Sale of Merchandise was steady at the ₱4.5 billion level mainly on account of the stable topline of First Philec, Inc.'s (FPI) from the sale of amorphous distribution transformers (AMDT) and Distribution Line Components (DLC) to its Meralco market segment.

Net Income

Consolidated net income grew by ₱5.2 billion or 22% (from ₱23.9 billion to ₱29.1 billion) mainly reflecting the stronger operating results delivered by the Group's Power Generation and Real Estate Development sectors. The upturn was further supplemented by the higher one-off gains posted this 2023 mostly pertaining to the proceeds from construction delay and insurance claims.

Net Income Attributable to Equity Holders of the Parent

Net income attributable to equity holders of the Parent also significantly improved by ₱2.4 billion or 19% (from ₱12.7 billion to ₱15.1 billion) largely on account of the increase in the Parent's share in earnings from the Power Generation and Real Estate Development sectors. Excluding one-off gains and losses, Recurring Net Income (RNI) attributable to equity holders of the Parent amounted to ₱13.8 billion, an uptick of ₱1.0 billion or 8% compared to last year's ₱12.8 billion. The Parent Company's share in net one-off gains and losses mainly pertain to the proceeds from construction delay and insurance claims, foreign exchange and deferred income tax movements and provision for asset impairment.

Detailed discussions of the material changes in the line items of the Group's Consolidated Statements of Income are presented in the succeeding sections of this report.

Consolidated Statements of Financial Position
As of December 31, 2023 vs. December 31, 2022

Assets

Total assets of the Group increased by ₱50.7 billion or 12%, from ₱421.5 billion to ₱472.2 billion, as a result of the following major movements:

- Cash and cash equivalents (including Short-term investments) – grew by ₱12.4 billion or 22% (from ₱56.7 billion to ₱69.1 billion) mainly representing the cash generated from the Group's operating activities and the proceeds from loan drawdowns and refinancing during the year. These were partly offset by the cash used in the Group's financing and investing activities pertaining to scheduled principal and interest payments for outstanding loans, investments and capital expenditures, payments of cash dividends, and disbursements for the FPH Parent share buyback program (see Consolidated Statements of Cash Flows).

- Inventories – increased by ₱8.0 billion or 23% (from ₱34.7 billion to ₱42.7 billion) reflecting the higher year-end balances of First Gen's fuel inventories, spare parts and supplies, and of Rockwell Land's real estate inventories.

- Property, plant and equipment - net – higher by ₱10.3 billion or 7% (from ₱148.7 billion to ₱159.0 billion) largely driven by the capital expenditures incurred related to the construction of the multipurpose jetty and gas-receiving platform for the LNG Interim Offshore Terminal (IOT) Project as well as the higher capital expenditures of EDC for its growth projects.

- Financial assets at fair value through other comprehensive income (FVOCI) – increased by ₱5.4 billion or 33% (from ₱16.4 billion to ₱21.8 billion) mostly on account of the upswing in the market prices of the Meralco and Lopez Holdings shares held by the Group.

- Other noncurrent assets – grew by ₱17.0 billion or 99% (from ₱17.3 billion to ₱34.3 billion) primarily on account of the Right-of Use assets recognized for the Floating Storage and Regasification Unit (FSRU) and Tugboats Charter hires of FGEN LNG and the new foreshore lease agreement of Santa Rita with the Department of Environment and Natural Resources (DENR).

Detailed explanations of significant movements in asset accounts are presented in the succeeding sections.

Liabilities and Equity

Total liabilities and equity of the Group rose by ₱50.7 billion or 12% (from ₱421.5 billion to ₱472.2 billion) primarily due to the following major movements:

- Trade payables and other current liabilities – increased by ₱12.6 billion or 25% (from ₱51.1 billion to ₱63.7 billion) mainly representing First Gen’s higher outstanding payables from LNG and liquid fuel importations in 2023 coupled with the additions to the current portion of lease liabilities related to FSRU and tugboats charter hires of FGEN LNG and Santa Rita’s new foreshore lease agreement.

- Loans payable – increased by ₱6.9 billion or 392% (from ₱1.8 billion to ₱8.7 billion) primarily on account of the new short-term loan availments by the First Gen group and by First Balfour.

- Other noncurrent liabilities – increased by ₱8.7 billion or 90% (from ₱9.6 billion to ₱18.3 billion) mainly reflecting the additional lease liabilities relating to the FSRU and tugboats charter hires and Santa Rita’s new foreshore lease agreement, supplemented by the additional funding received by First Gen from Tokyo Gas for its 20% participating interest of the LNG IOT Project based on the signed joint cooperation agreement.

- Total equity reported an increase of ₱27.4 billion or 13% (from ₱217.5 billion to ₱244.9 billion) brought about by the Group's consolidated net income and the unrealized gains on financial assets at FVOCI, supplemented by the additions to Non-controlling interest (NCI) pertaining to the 40% share of NCI in a newly incorporated subsidiary of Rockwell. These upturns were partly reduced by the cash dividend declarations, share buybacks during the year, and the loss on the remeasurement of retirement and other post-employment benefits.

Detailed explanations of material movements in liabilities and equity accounts are presented in the succeeding sections.

DETAILED ANALYSIS OF MATERIAL CHANGES

Consolidated Statements of Income (Results of Operations)

Horizontal and Vertical Analyses of Material Changes for the years ended Dec. 31, 2023 vs. 2022

Php in millions	**Years Ended December 31**		Horizontal Analysis Increase/(Decrease)		Vertical Analysis December 31	
	2023	2022	Amount	%	2023	2022
REVENUES						
Sale of electricity	**₱137,946**	₱144,324	(₱6,378)	-4%	84%	85%
Sale of real estate	**11,949**	11,382	567	5%	7%	7%
Contracts and services	**10,490**	10,102	388	4%	6%	6%
Sale of merchandise	**4,567**	4,530	37	1%	3%	3%
	164,952	170,338	(5,386)	-3%	100%	100%
COSTS AND EXPENSES						
Costs of sale of electricity	**93,935**	103,362	(9,427)	-9%	-57%	-61%
Real estate sold	**9,478**	9,182	296	3%	-6%	-5%
Contracts and services	**5,881**	5,289	592	11%	-4%	-3%
Cost of sale of merchandise	**3,040**	2,994	46	2%	-2%	-2%
General and administrative expenses	**18,840**	18,206	634	3%	-11%	-11%
	131,174	139,033	(7,859)	-6%	-80%	-82%
OTHER INCOME (CHARGES)						
Finance costs	**(8,107)**	(6,493)	(1,614)	25%	-5%	-4%
Finance income	**4,118**	2,037	2,081	102%	2%	1%
Dividend income	**1,061**	749	312	42%	1%	0%
Foreign exchange gains (losses) - net	**(17)**	93	(110)	-118%	0%	0%
Equity in net earnings of associates and joint ventures	**374**	433	(59)	-14%	0%	0%
Other income - net	**3,537**	2,091	1,446	69%	2%	1%
	966	(1,090)	2,056	-189%	1%	-1%
INCOME BEFORE INCOME TAX	**34,744**	30,215	4,529	15%	21%	18%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	**6,366**	6,223	143	2%	-4%	-4%
Deferred	**(678)**	118	(796)	-675%	0%	0%
	5,688	6,341	(653)	-10%	-3%	-4%
NET INCOME	**₱29,056**	₱23,874	₱5,182	22%	18%	14%
Attributable To						
Equity holders of the Parent	**₱15,066**	₱12,676	₱2,390	19%	9%	7%
Non-controlling Interests	**13,990**	11,198	2,792	25%	8%	7%
	₱29,056	₱23,874	₱5,182	22%	18%	14%
Earnings Per Share for Net Income Attributable to the Equity Holders of the Parent						
Basic/ Diluted	₱32.22	₱26.20	₱6.02	23%		

Revenues

The Group's consolidated revenues for the year ended December 31, 2023 totaled ₱164.9 billion, lower by ₱5.4 billion or 3% compared to the previous year. The significant movements in the Group's revenues consist of:

Sale of electricity – down by ₱6.4 billion or 4% (from ₱144.3 billion to ₱137.9 billion) and accounted for 84% and 85% of total revenues for 2023 and 2022, respectively. The downturn in revenues were caused by (a) the Santa Rita, San Lorenzo and San Gabriel plants' lower fuel revenues primarily brought about by their lower average fuel prices, lower liquid fuel consumption, and lower combined electricity production at 13.6 Terawatt-hour (TWh) in 2023 compared to 14.3 TWh in 2022, (b) Avion's lower revenues following the decrease in average WESM and ASPA contract prices, (c) EDC's topline downturn mainly reflecting the decline in volume of electricity sold of Unified Leyte, Palinpinon, and Nasulo plants and EDC Siklab, and (d) Pantabangan-Masiway's lower revenues from WESM and ancillary services on account of lower generation.

Sale of real estate – increased by ₱567 million or 5% (from ₱11.4 billion to ₱11.9 billion) and accounted for 7% for both years. The growth was mainly due to the higher revenue recognized by Rockwell on its residential development projects driven by the Arton West completion, increased project accomplishments from Balmori Suites, 32 Sanson – Sillion, Rockwell South, and Nara residences and lots, as well as the higher sales booking from Proscenium, Arton, Edades West, and Rockwell Center-Bacolod lots.

Contracts and services – upswing by ₱388 million or 4% (from ₱10.1 billion to ₱10.5 billion) and accounted for 6% of total revenues for both years. This primarily resulted from the growth in Rockwell's lease income due to higher occupancy and average rental rates following the improvement in sales of its retail tenants. These were further augmented by the better results posted by its office leasing business driven by higher average rental rates. FPIP likewise reported a rise in its recurring industrial land and RBF leasing income following the increase in total leased area, particularly from the new locators as well as revenues from water utilities driven by higher locator consumption in 2023. First Balfour likewise posted higher earnings from its ongoing and new construction contracts primarily the projects under its Overhead Transmission Line Division.

Sale of merchandise – steady at ₱4.5 billion level and accounted for 3% for both years. This mainly reflects the stable topline of FPI from the sale of AMDT and DLC to its Meralco market segment.

Costs and expenses

Consolidated costs and expenses dropped by ₱7.9 billion or 6% (from ₱139.0 billion to ₱131.1 billion) and accounted for 80% and 82% of total revenues for 2023 and 2022, respectively. Details of costs and expenses line items as well as significant changes for the comparative periods are discussed as follows:

Cost of sale of electricity – decreased by ₱9.4 billion or 9% (from ₱103.4 billion to ₱94.0 billion) and accounted for 57% and 61% of total revenues for 2023 and 2022, respectively. The movement mainly reflects the lower (a) average fuel prices, (b) liquid fuel consumption, and (c) combined generation of the gas plants at 13.9 TWh in 2023 compared to 14.7 TWh in 2022. Likewise, the geothermal plants of EDC and the Pantabangan-Masiway hydro plant incurred lower replacement power purchases.

Cost of real estate sold – up by ₱296 million or 3% (from ₱9.2 billion to ₱9.5 billion) and accounted for 6% and 5% of total revenues for 2023 and 2022, respectively. The movement primarily reflects the higher cost recognized by Rockwell Land following improved sales booking, higher project completion and initial cost recognition for residential development projects for 2023.

Cost of contracts and services – increased by ₱592 million or 11% (from ₱5.3 billion to ₱5.9 billion) and accounted for 4% and 3% of total revenues for 2023 and 2022, respectively. The increase primarily reflects the rise in First Balfour's direct costs following the corresponding increase in recognized revenue from ongoing construction projects coupled with the decline in gross margin percentage for revenues earned in 2023.

Cost of sale of merchandise – remained at ₱3.0 billion level and accounted for 2% of total revenues for both years. The nonmovement mainly mirrors FPI's stable manufacturing costs on the transformers and new business line products sold in 2023.

General and administrative expenses – increased by ₱634 million or 3% (from ₱18.2 billion to ₱18.8 billion) and accounted for 11% of total revenues for both years. This was largely driven by higher personnel costs, professional fees, and insurance expenses, and taxes and licenses incurred during the year.

Finance costs

Finance costs increased by ₱1.6 billion or 25% (from ₱6.5 billion to ₱8.1 billion) and accounted for 5% and 4% of total revenues for 2023 and 2022, respectively. The increment was primarily due to higher interest expenses incurred by the Group from new loans availed, aggravated by higher effective interest rates during the year.

Finance income

Finance income rose by ₱2.1 billion or 102% (from ₱2.0 billion to ₱4.1 billion) and accounted for 2% and 1% of total revenues for 2023 and 2022, respectively. The upturn mainly represents higher finance income of First Gen from the interest earned on cash and cash equivalents and other investible funds during the year supplemented by the higher interest income earned by Rockwell Land on its residential development project launches, particularly the Edades West and Rockwell Center in Bacolod.

Dividend income

Dividend income increased by ₱312 million or 42% (from ₱749 million to ₱1.1 billion) and accounted for 1% and less than 1% of total revenues for 2023 and 2022, respectively. This mainly resulted from higher dividend income from shares held by the Group in Meralco (₱19.548 per share in 2023 vs. ₱16.032 per share in 2022), Lopez Holdings (₱0.1 per share in 2023 vs. ₱0.05 per share in 2022) and Panay Electric Company.

Foreign exchange gains (losses) – net

This account posted a reversal of ₱110 million or 118% (from ₱93 million gain in 2022 to ₱17 million loss in 2023) and accounted for less than 1% of total revenues for both years. This was primarily due to the impact of the restatement of dollar-denominated accounts to Philippine peso at year-end (refer to foreign exchange table above).

Equity in net earnings of associates and joint ventures

This account declined by ₱59 million or 14% (from ₱433 million to ₱374 million) and accounted for less than 1% of total revenues for both years. This was largely on account of the net loss posted by Enerco JV, RelianceCARE, and Batangas Bay Towage, Inc. partly tempered by the improvement in share in net earnings of the RBC-Ortigas JV of Rockwell Land.

Others- net

Other income improved by ₱1.4 billion or 69% (from ₱2.1 billion to ₱3.5 billion) and accounted for 2% and 1% of total revenues for 2023 and 2022, respectively. This was largely on account of the higher proceeds from insurance and construction delay claims of the First Gen group in relation to the delayed completion of the Interim Offshore LNG Terminal of FGEN LNG.

Income before income tax

As a result of the foregoing, income before income tax for the year grew by ₱4.5 billion or 15%, from ₱30.2 billion in 2022 to ₱34.7 billion in 2023.

Provision for income tax

Provision for income tax declined by ₱653 million or 10% (from ₱6.3 billion to ₱5.7 billion) and accounted for 3% and 4% of total revenues for 2023 and 2022, respectively. The downturn was mostly due to the ₱796 million turnaround in deferred income tax (DIT) provision last year to ₱678 million benefit this 2023 primarily on account of the favorable foreign exchange movement of the Philippine Peso against the U.S. Dollar.

Net Income

Consolidated net income grew by ₱5.2 billion or 22% (from ₱23.9 billion to ₱29.1 billion) mainly resulting from the improved operating results delivered by First Gen mostly from decline in costs of sales of electricity and by Rockwell Land driven by the growth in its topline. These were supplemented by the turnaround of net other charges reported in 2022 to income this year driven by higher dividend and finance income and also by the one-off gains from proceeds from construction delay and insurance claims.

Net Income Attributable to Equity Holders of the Parent

Net income attributable to equity holders of the Parent also grew by ₱2.4 billion or 19% (from ₱12.7 billion to ₱15.1 billion) largely on account of the increase in the Parent's share in earnings from the Power Generation and Real Estate sectors. Excluding one-off gains and losses, RNI attributable to equity holders of the Parent amounted to ₱13.8 billion, an uptick of ₱1.0 billion or 8% compared to last year's ₱12.8 billion. The Parent Company's share in net one-off gains and losses mainly pertain to the proceeds from construction delay and insurance claims, foreign exchange and DIT movements and provision for asset impairment.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interest likewise grew by ₱2.8 billion or 25% (from ₱11.2 billion to ₱14.0 billion) mainly due to the improvement in the share in earnings of the non-controlling interest following the rise in the bottomline of the First Gen and Rockwell. The significant portion of this account pertains to the share of non-controlling stockholders of First Gen, EDC, Rockwell Land and FPIP to the consolidated net income.

Earnings per share (EPS)

Basic/diluted EPS for the year amounted to ₱32.22 while last year's basic/diluted EPS stood at ₱26.20. The ₱6.02 or 23% growth represents the improvement in Net Income attributable to equity holders of the Parent accompanied by the lower outstanding common stocks as at December 31, 2023 after the Parent's share buy-back transactions during the year.

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 vs. December 31, 2022

Php in millions	Years Ended December 31		Horizontal Analysis Increase/(Decrease)	
	2023	2022	Amount	%
NET INCOME	**₱29,056**	₱23,874	₱5,182	22%
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (losses) to be reclassified to profit or loss in subsequent periods:				
Exchange gains (losses) on foreign currency translation	**(445)**	4,116	(4,561)	-111%
Net gains (losses) on cash flow hedges deferred in equity - net of tax	**(76)**	661	(737)	-111%
Total comprehensive income (losses) to be reclassified to profit or loss	**(521)**	4,777	(5,298)	-111%
Other comprehensive income (losses) not to be reclassified to profit or loss in subsequent periods:				
Unrealized fair value gains on financial assets at FVOCI	**5,441**	126	5,315	4218%
Remeasurement gains (losses) of retirement and other post-employment benefits - net of tax	**(2,759)**	253	(3,012)	-1191%
TOTAL COMPREHENSIVE INCOME	**₱31,217**	₱29,030	₱2,187	8%
Attributable To				
Equity holders of the Parent	**₱17,584**	₱18,146	(₱562)	-3%
Non-controlling Interests	**13,633**	10,884	2,749	25%
	₱31,217	₱29,030	₱2,187	8%

Total comprehensive income for the year

Total comprehensive income rose by ₱2.2 billion or 8% (from ₱29.0 billion to ₱31.2 billion). The major movements in the comprehensive income of the Group were as follows:

1. Consolidated net income jumped by ₱5.2 billion or 22% (from ₱23.9 billion to ₱29.1 billion) due to factors discussed in the preceding sections.

2. Exchange losses on foreign currency translation amounting ₱445 million were posted this year compared to ₱4.2 billion exchange gains in 2022, a reversal of ₱4.6 billion or 111% mainly due to the translation of First Gen's U.S. dollar- denominated financial statements into Philippine peso for financial consolidation purposes (refer to foreign exchange table above).

3. Net losses on cash flow hedge deferred in equity amounted to ₱76 million, a ₱737 million or 111% reversal from ₱661 million gains in 2022 pertaining to the unfavorable fair value changes in EDC's cash flow hedge taken into equity during the year.

4. Unrealized fair value gains on financials assets at FVOCI, which largely pertains to the movements in the fair value of Meralco and Lopez Holdings shares held by the Group, reported a ₱5.3 billion or 4,218% growth (from ₱126 million to ₱5.4 billion) mostly driven by the ₱100.2 per share or 34% uptick in Meralco share price this 2023 compared to the ₱3.6 per share or 1% upturn last year. The share price of Lopez Holdings likewise posted higher growth in share price by ₱1.3 per share or 44% this 2023 compared to ₱0.04 per share or 1% movement in 2022.

Closing Market Prices (PHP)	Dec. 31, 2023	Dec. 31,2022	% Change	Dec. 31, 2022	Dec. 31,2021	% Change
Meralco	399.0	298.8	34%	298.8	295.2	1%
Lopez Holdings	4.25	2.95	44%	2.95	2.91	1%

5. Remeasurement gains (losses) of retirement and other post-employment benefits - net of tax- posted a reversal of ₱3.0 billion or 1,189% (from ₱253 million gain to ₱2.8 billion loss) mainly reflecting the changes in financial assumptions and experience adjustments of the defined benefit obligation.

Total comprehensive income for the year attributable to equity holders of the Parent

Total comprehensive income attributable to equity holders of the Parent declined by ₱562 million or 3% (from ₱18.1 billion to ₱17.6 billion) mainly reflecting the Parent's share in losses posted from the (1) remeasurement of retirement and other post-employment benefits and (2) foreign currency translation, offset by the growth in the net income attributable to the equity holders of the Parent and the higher unrealized fair value gains on financial assets at FVOCI recognized during the year.

Total comprehensive income for the year attributable to non-controlling interests

Total comprehensive income attributable to non-controlling interests (NCI) rose by ₱2.7 billion or 25% (from ₱10.9 billion to ₱13.6 billion) primarily driven by the improvement in attributable net income during the year.

(continued next page)

Consolidated Statements of Financial Position
As of December 31, 2023 and 2022

Php in millions	Years Ended December 31		Horizontal Analysis Increase/Decrease		Vertical Analysis December 31	
	2023	2022	Amount	%	2023	2022
ASSETS						
Current Assets						
Cash and cash equivalents	**₱65,250**	₱56,138	₱9,112	16%	14%	13%
Short-term investments	**3,857**	572	3,285	574%	1%	0%
Trade and other receivables - net	**31,237**	34,155	(2,918)	-9%	7%	8%
Current portion of contract assets	**9,238**	13,042	(3,804)	-29%	2%	3%
Inventories	**42,768**	34,744	8,024	23%	9%	8%
Other current financial assets	**362**	1,832	(1,470)	-80%	0%	0%
Prepayments and other current assets	**14,113**	10,950	3,163	29%	3%	3%
Total Current Assets	**166,825**	151,433	15,392	10%	35%	36%
Noncurrent Assets						
Property, plant and equipment - net	**159,008**	148,714	10,294	7%	34%	35%
Goodwill and intangible assets	**49,384**	49,469	(85)	0%	10%	12%
Investment properties - net	**22,854**	22,725	129	1%	5%	5%
Financial assets at FVOCI	**21,836**	16,422	5,414	33%	5%	4%
Investments in associates and joint ventures	**7,560**	7,786	(226)	-3%	2%	2%
Deferred tax assets - net	**2,121**	1,620	501	31%	0%	0%
Contract assets- net of current portion	**6,111**	3,745	2,366	63%	1%	1%
Other noncurrent financial assets	**2,210**	2,289	(79)	-3%	0%	1%
Other noncurrent assets	**34,266**	17,256	17,010	99%	7%	4%
Total Noncurrent Assets	**305,350**	270,026	35,324	13%	65%	64%
TOTAL ASSETS	**₱472,175**	₱421,459	₱50,716	12%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**₱63,757**	₱51,147	₱12,610	25%	14%	12%
Loans payable	**8,666**	1,762	6,904	392%	2%	0%
Income tax payable	**1,013**	646	367	57%	0%	0%
Current portion of long-term debts	**22,659**	24,031	(1,372)	-6%	5%	6%
Total Current Liabilities	**96,095**	77,586	18,509	24%	20%	18%
Noncurrent Liabilities						
Long-term debts - net of current portion	**100,765**	104,664	(3,899)	-4%	21%	25%
Deferred tax liabilities - net	**3,272**	3,759	(487)	-13%	1%	1%
Retirement and other long-term employee benefits liabilities	**5,006**	4,944	62	1%	1%	1%
Asset retirement and preservation obligations	**3,798**	3,406	392	12%	1%	1%
Other noncurrent liabilities	**18,345**	9,630	8,715	90%	4%	2%
Total Noncurrent Liabilities	**131,186**	126,403	4,783	4%	28%	30%
Total Liabilities	**227,281**	203,989	23,292	11%	48%	48%
Equity						
Common stock	**6,096**	6,096	-	0%	1%	1%
Capital in excess of par value	**4,076**	4,076	-	0%	1%	1%
Treasury stock	**(9,893)**	(9,348)	(545)	6%	-2%	-2%
Accumulated unrealized fair value gains on financial assets at FVOCI	**10,075**	4,659	5,416	116%	2%	1%
Cumulative translation adjustments	**(3,947)**	(3,487)	(460)	13%	-1%	-1%
Equity reserve	**(8,459)**	(8,459)	-	0%	-2%	-2%
Retained earnings						
Unappropriated	**118,121**	110,519	7,602	7%	25%	26%
Appropriated	**32,700**	28,700	4,000	14%	7%	7%
Equity Attributable to Equity Holders of the Parent	**148,769**	132,756	16,013	12%	32%	31%
Non-controlling Interests	**96,125**	84,714	11,411	13%	20%	20%
Total Equity	**244,894**	217,470	27,424	13%	52%	52%
TOTAL LIABILITIES AND EQUITY	**₱472,175**	₱421,459	₱50,716	12%	100%	100%

Assets

As at December 31, 2023, the Group's consolidated assets grew to ₱472.2 billion, higher by ₱50.7 billion or 12% compared to the December 31, 2022 consolidated balance of ₱421.5 billion. The material changes in asset accounts are discussed as follows:

Cash and cash equivalents and Short-term investments – increased by a total amount of ₱12.4 billion or 22% (from ₱56.7 billion to ₱69.1 billion) and accounted for 14% and 13% of total assets for 2023 and 2022, respectively. The upturn reflects the net cash inflows mainly representing the cash generated from the Group's operating activities and the proceeds from loan drawdowns and refinancing during the year. These were partly offset by the cash used in the Group's financing and investing activities pertaining to scheduled principal and interest payments for outstanding loans, investments and capital expenditures, payments of cash dividends, and disbursements for the FPH Parent share buyback program.

Trade and other receivables - net – down by ₱2.9 billion or 9% (from ₱34.1 billion to ₱31.2 billion) and accounted for 7% and 8% of total assets for 2023 and 2022, respectively. The downturn mainly reflects the collection of receivables from Meralco by the First Gen group coupled with Rockwell Land's collections of receivables from its residential development projects namely, The Proscenium Residences, Rockwell South, 32 Sanson and The Arton.

Contract assets- current and non-current – lower by ₱1.5 billion or 9% (from ₱16.8 billion to ₱15.3 billion) and accounted for 3% and 4% of total assets for 2023 and 2022, respectively. This mainly reflects Rockwell Land's lower construction completion on its residential development projects.

Inventories – increased by ₱8.0 billion or 23% (from ₱34.7 billion to ₱42.7 billion) and accounted for 9% and 8% for 2023 and 2022, respectively. This largely pertains to the higher year-end balances of First Gen's fuel inventories, spare parts and supplies and of Rockwell's land inventory.

Other current financial assets – declined by ₱1.5 billion or 80% (from ₱1.8 billion to ₱362 million) and accounted for less than 1% of total assets for both years. The decline was mainly due to the redemptions made by the First Gen group from its Investment Management Agreement (IMA) accounts.

Prepayments and other current assets – increased by ₱3.2 billion or 29% (from ₱10.9 billion to ₱14.1 billion) and accounted for 3% of total assets for both years. The upturn was primarily caused by the higher year-end balances of First Gen's prepaid expense account consisting mostly of prepaid insurance and rentals coupled with the increase in the Group's year-end Input VAT balance.

Property, plant and equipment- net – increased by ₱10.3 billion or 7% (from ₱148.7 billion to ₱159.0 billion) and accounted for 33% and 35% of total assets for 2023 and 2022, respectively. The increase was largely on account of the capital expenditures incurred related to the construction of the multipurpose jetty and gas-receiving platform for the LNG IOT Project as well as the higher capital expenditures of EDC for its growth projects.

Financial assets at FVOCI – increased by ₱5.4 billion or 33% (from ₱16.4 billion to ₱21.8 billion) and accounted for 5% and 4% of total assets for 2023 and 2022, respectively. The growth mainly pertains to the combined 34% uptick in stock price of the Meralco shares accompanied by the 44% upturn in stock price of the Lopez Holdings shares held by the Group.

Deferred tax assets - net – increased by ₱501 million or 31% (from ₱1.6 billion to ₱2.1 billion) and accounted for less than 1% of total assets for both years. The increase was mainly due to First Gen's lower year-end balances caused by First Gen group's higher deferred income tax assets mainly related to right-of-use (ROU) assets and retirement benefit obligations.

Other noncurrent assets – increased by ₱17.0 billion or 99% (from ₱17.3 billion to ₱34.3 billion) and accounted for 7% and 4% total assets for 2023 and 2022, respectively. The increment reflects the additional ROU assets relating to the FSRU and tugboats charter hires of FGEN LNG and Santa Rita's new foreshore lease agreement with the DENR.

Asset accounts that were not discussed above had no significant movements from 2022 to 2023.

Liabilities and equity

As at December 31, 2023, the Group's consolidated liabilities and equity stood at ₱472.2 billion, higher by ₱50.7 billion or 12% compared to the December 31, 2022 consolidated balance of ₱421.5 billion. Material movements in liabilities and equity accounts are discussed as follows:

Trade payables and other current liabilities – increased by ₱12.6 billion or 25% (from ₱51.1 billion to ₱63.7 billion) and accounted for 14% and 12% of total liabilities and equity for 2023 and 2022, respectively. This was primarily due to First Gen's higher outstanding payables from LNG and liquid fuel importations in 2023 coupled with the additions to the current portion of lease liabilities related to FSRU and tugboats charter hires of FGEN LNG and Santa Rita's new foreshore lease agreement.

Loans payable – higher by ₱6.9 billion or 392% (from ₱1.8 billion to ₱8.7 billion) and accounted for 2% and less than 1% of total liabilities and equity for 2023 and 2022, respectively. The upturn was primarily caused by the new short-term loans availed by First Gen's Santa Rita, San Lorenzo and San Gabriel plants, and the net availment of First Balfour intended for its working capital requirements during the year.

Income tax payable – increased by ₱367 million or 57% (from ₱646 million to ₱1.0 billion) and accounted for less than 1% of total liabilities and equity for both years. This was primarily due to higher taxable earnings in the 4th quarter of 2023, particularly by Rockwell Land and First Balfour.

Long-term debt, including current portion – declined by ₱5.3 billion or 4% (from ₱128.7 billion to ₱123.4 billion) and accounted for 26% and 31% total liabilities and equity for 2023 and 2022, respectively. The decrease was primarily on account of the various scheduled principal payments of the Group partly offset by the new loan availments and refinancings obtained during the year.

Deferred tax liabilities – lower by ₱487 million or 13% (from ₱3.8 billion to ₱3.3 billion) and accounted for 1% of total liabilities and equity for both years. The increment resulted primarily from the temporary tax differences arising from foreign exchange movements of the First Gen group.

Asset retirement and preservation obligations – higher by ₱392 million or 12% (from ₱3.4 billion to ₱3.8 billion) and accounted for 1% of total liabilities and equity for both years. The movement largely reflects the provision recognized by EDC for the rehabilitation and restoration costs which pertains to the present value of estimated costs of legal and constructive obligations required to restore all the existing sites upon termination of the cooperation period.

Other noncurrent liabilities – higher by ₱8.7 billion or 90% (from ₱9.6 billion to ₱18.3 billion) and accounted for 4% and 2% of total liabilities and equity for 2023 and 2022, respectively. This mainly reflects the additional lease liabilities relating to the FSRU and tugboat charters of FGEN LNG and Santa Rita's new foreshore lease agreement, supplemented by the additional funding received by First Gen from Tokyo Gas for its 20% participating interest on the LNG IOT Project based on the signed joint cooperation agreement.

Total equity attributable to equity holders of the Parent – increased by ₱16.0 billion or 12% (from ₱132.8 billion to ₱148.8 billion) and accounted for 32% and 31% of total liabilities and equity for 2023 and 2022, respectively. The following major items brought about the net increase in the account:

- Retained earnings increased by a combined amount of ₱11.6 billion or 8% (from ₱139.2 billion to ₱150.8 billion) mainly reflecting the net income attributable to the equity holders of the Parent, partly reduced by cash dividends declared during the year;

- Accumulated unrealized fair value gains on financial assets at FVOCI increased by ₱5.4 billion or 116% on account of the upturns in stock prices of Meralco and Lopez Holdings shares as of December 31, 2023 compared to year-end of 2022;

- Treasury stock (negative) increased by ₱545 million or 6% (from ₱9.4 billion to ₱9.9 billion) following the Parent's common share buybacks during the year; and

- Cumulative translation adjustments (negative amount) increased by ₱460 million or 13% (from ₱3.5 billion to ₱3.9 billion) due to the impact of foreign exchange movements to the year-end foreign currency translation rates of the Group's subsidiaries whose functional currency is U.S. dollar.

Non-controlling interests – increased by ₱11.4 billion or 13% (from ₱84.7 billion to ₱96.1 billion) and accounted for 20% of total liabilities and equity for both years. Non-controlling interests represent the portion of net assets not held by the Group, particularly in First Gen and EDC, Rockwell, FPIP, and AEI. The increase was mainly due to the non-controlling interests' share in the Group's net earnings and other comprehensive income for 2023 supplemented by the additions to Non-controlling interest (NCI) pertaining to the 40% share of NCI in a newly incorporated subsidiary of Rockwell. These upturns were partly reduced by the cash dividend declarations and share buybacks during the year.

Liabilities and equity accounts that were not discussed above had no significant movements from 2022 to 2023.

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Item 7. Financial Statements

The Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 are hereto attached as Exhibit "A".

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The external auditors of the Parent Company is Sycip Gorres Velayo & Co. (SGV & Co.) SGV is in compliance with the Revised Securities Regulation Code (SRC) Rule 68, Paragraph (3) (b) (ix) which requires the rotation of the handling partners every 7 consecutive years with a cooling off period of 3 years thereafter under the transition relief period.

For the years ended December 31, 2024 and 2023, the SGV & Co. handling partner for the audit of the Parent Company is Ms. Maria Veronica Andresa R. Pore. For the years ended December 31, 2022, 2021, 2018, 2017, 2016, and 2015, the SGV & Co. handling partner for the audit of the Parent Company was Ms. Editha V. Estacio. For the years ended December 31, 2020 and 2019, the SGV & Co. handling partner for the audit of the Parent Company was Mr. Roel E. Lucas.

For the last five (5) years, the Parent Company has not had any disagreements with SGV with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures. Representatives of SGV & Co. are expected to be present at the Annual Stockholders' Meeting and will have the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

SCHEDULE OF EXTERNAL AUDITOR FEE- RELATED INFORMATION

	Years Ended December 31		
(Amounts in PHP and in millions)	**2024**	2023	2022
Total Audit Fees (Section 2.1a)[1]	**₱54**	₱50	₱47
Non-audit service fees:			
Other assurance services	**14**	6	6
Tax services	**6**	6	5
All other services	**4**	8	5
Total Non-audit Fees (Section 2.1b)[2]	**24**	20	16
Total Audit and Non-audit Fees	**₱78**	₱70	₱63

Audit and Non-audit fees of other related entities (Section 2.1c)[3]

	Years Ended December 31		
(Amounts in USD and in thousands)	**2024**	2023	2022
Audit Fees	**₱–**	₱–	₱–
Non-audit service fees:			
Other assurance services	**–**	–	–
Tax services	**–**	–	–
All other services	**–**	–	–
Total Non-audit Fees (Section 2.1b)[2]	**–**	–	–
Total Audit and Non-audit Fees of other related entities	**₱–**	₱–	₱–

(1) Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purposes audit or review of financial statements.

(2) Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These included other assurance services such as special purpose audit or review of financial statements.

(3) Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's, those charged with governance or equivalent (e.g. Audit Committee)

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

FPH Board & Officers List as at December 31, 2024

Incumbent Directors

1. Mr. Federico R. Lopez
2. Mr. Benjamin R. Lopez
3. Mr. Miguel Ernesto L. Lopez
4. Mr. Francis Giles B. Puno
5. Ms. Rizalina G. Mantaring *(Lead Independent Director)*
6. Mr. Richard B. Tantoco
7. Mr. Stephen T. CuUnjieng *(Independent)*
8. Mr. Emmanuel Antonio P. Singson
9. Ms. Mercedes Lopez-Vargas
10. Ms. Roberta A. Feliciano
11. Mr. David O. Chua
12. Mr. Jaime I. Ayala *(Independent)*
13. Atty. Francisco Ed. Lim *(Independent)*
14. Mr. Cirilo P. Noel (*Independent)*
15. Mr. Santiago Dionisio R. Agdeppa

Incumbent Corporate Officers

Mr. Federico R. Lopez	Chairman & Chief Executive Officer
Mr. Benjamin R. Lopez	Vice Chairman
Mr. Francis Giles B. Puno	President & Chief Operating Officer
Mr. Emmanuel Antonio P. Singson	Executive Vice President, Treasurer & CFO
Mr. Victor Emmanuel B. Santos, Jr.	Executive Vice President
Mr. Anthony M. Mabasa	Senior Vice President
Mr. Renato A. Castillo	Senior Vice President & Chief Risk Officer
Mr. Anthony L. Fernandez	Senior Vice President
Mr. Jose Valentin A. Pantangco, Jr.	Senior Vice President & Head of Corporate Planning
Ms. Anna Karina P. Gerochi	Vice President, Head of Human Resources Management
Ms. Emelita D. Sabella	Vice President
Mr. Jonathan C. Tansengco	Vice President
Mr. Ramon A. Carandang	Vice President
Ms. Shirley H. Cruz	Vice President & Chief of Staff, Office of the Chairman
Ms. Maria Carmina Z. Ubaña	Vice President & Controller
Mr. Alexander M. Roque	Vice President
Ms. Milagros D. Fadri	Vice President
Mr. Enrique I. Quiason	Corporate Secretary
Ms. Rachel R. Hernandez	Vice President, Assistant Corporate Secretary,

	and Compliance Officer
Ms. Agnes C. De Jesus	Vice President & Chief Sustainability Officer
Mr. Rene J. Mayol	Vice President
Mr. Ernie G. Imperial	Vice President & Chief Digital Officer
Ms. Karen Y. Chung	Vice President & Investor Relations Officer
Ms. Janinna Cynthia P. Mendoza	Vice President of Strategic Brand Management
Mr. Angelo G. Macabuhay	Vice President & Head of Internal Audit
Ms. Lianne M. Bacorro	Assistant Compliance Officer
Mr. Jonathan C. Russell	Senior Board Adviser
Mr. Mario L. Bautista	Senior Board Adviser
Mr. Walter C. Wassmer[1]	Senior Board Adviser

Directors and executive/corporate officers hold office for a period of one (1) year and until such time when their successors are elected and have qualified.

[1] Resigned as of July 25, 2024, due to his appointment to the BSP Monetary Board.

BOARD OF DIRECTORS

FEDERICO R. LOPEZ **63 Years Old, Filipino** **Tenure: 18 years**	Mr. Federico R. Lopez was elected Chairman and Chief Executive Officer in May 2010. He has been a Director of the Corporation since February 2006. He is also the Chairman and CEO of First Gen Corporation, Chairman of Energy Development Corporation and the Vice Chairman of Rockwell Land Corp. He likewise chairs the Boards of Asian Eye Institute, First Balfour, Inc., Terraprime, Inc., ThermaPrime Drilling Corp., First Philippine Electric Corp., First Philec, Inc., First Philippine Industrial Park, First Philippine Realty Corp., FP Island Energy Corporation, First Industrial Science and Technology School, Inc., Pi Energy Inc., and Pi Health Inc. He has been a board member of ABS-CBN Corporation and the President of Lopez, Inc. since October 2017. He has been the Chairman and CEO of Lopez Holdings Corporation since October 2020. He is also the Chairman of the Oscar M. Lopez Center for Climate Change and Ang Misyon, Inc. He graduated from the University of Pennsylvania with a Bachelor of Arts Degree, Double Major in Economics and International Relations (cum laude, 1983).
BENJAMIN R. LOPEZ **55 Years Old, Filipino** **Tenure: 2 years**	Mr. Benjamin R. Lopez was appointed Director and Vice Chairman of the Corporation last March 30, 2023. He has been Vice President of the Corporation since November 2006. He has been with FPH since October 1993. He is a Director of Rockwell Land Corporation. He was assigned to Rockwell in May 1995 where he held various posts in Business Development, Sales and Marketing. Prior to his recall to FPH in June 2004, he was a Vice President for Project Development of Rockwell. He is currently the President of INAEC Aviation Corporation. Mr. Lopez is currently the Senior Executive Vice President and Co-Chairman of Lopez, Inc. He is also a member of the Board of Directors of various subsidiaries such as First Balfour, Inc., Terraprime, Inc., First Philippine Electric Corp., First Philec, Inc., First Philec Solar Solutions Corp., First Philippine Power Systems, Inc., First Philippine Realty Corp., FPH Capital Resources, Inc. and First Philippine Utilities Corp. He graduated with a Bachelor of Arts degree in International Affairs (1992) from George Washington University. He pursued his Executive Masters in Business Administration degree at the Asian Institute of Management (2001). Harvard Business School -OPM 60, Executive Education (2023).
JAIME I. AYALA **Independent Director** **63 Years Old, Filipino** **Tenure: 4 years**	Mr. Jaime I. Ayala was elected Director in 2021 and is the Chairman of the Corporate Governance Committee. He is a member of the Audit and Board Risk Oversight Committees. He is the Founder and CEO of Hybrid Social Solutions, a social enterprise focused on empowering rural villages through solar energy. He was recognized as the Schwab Foundation Social Entrepreneur of the Year in 2013 and the Ernst & Young Entrepreneur of the Year Philippines in 2012. He was President and CEO of publicly-listed Ayala Land, Inc. and Senior Managing Director of Ayala Corporation. Before that, he was a director (global senior partner) at McKinsey & Company, where he played a number of global and regional leadership roles, including head of the firm's Asian Energy Practice and President of McKinsey's Manila office. He is a Director of First Gen, a member of the National Advisory Council of the World Wildlife Fund, a trustee of Stiftung Solarenergie – Solar Energy Foundation and Philippine Tropical Forest Conservation Foundation, and the Chairman of Healthway Medical Inc. He earned his MBA from Harvard Business School (honors, 1988) and

	completed his undergraduate work in Economics at Princeton University (magna cum laude, 1984).
DAVID O. CHUA **58 Years Old, Filipino** **Tenure: 4 years**	Mr. David O. Chua was elected Director in 2021 and is a member of the Board Risk Oversight Committee. He is President and CEO of Cathay Pacific Steel Corporation (CAPASCO), Vice Chairman of the Board of the University of the East (UE), President of One Palanca Land Inc., President of Orinda Land Corp., President of Asia Pacific Capital Equities and Securities Corporation, Member of the Advisory Board of Metropolitan Bank and Trust Company (Metrobank), and Trustee of the University of the East Ramon Magsaysay Memorial Medical Center (UERMMMC). He also currently serves as a director on the board of NiHAO Mineral Resources, Inc., Dizon Copper and Silver Mines Inc., the Manila House Private Club Inc., Prople BPO Inc., and Kaisa Heritage Museum Inc. He is also the Vice President and Board Director of the Federation of Filipino Chinese Chambers of Commerce and Industry (FFCCCII), President of the Philippine Steelmakers Association (PSA), Chairman of the Philippine-Slovenia Business Council, Treasurer of Heavenly Garden Memorial Park Development Corp., Board Director of Edison Electric Integrated Inc., Board Director of Kellogg/Northwestern University Alumni Association of the Philippines, Vice Chairman of the Advisory Board of St. Jude Catholic School Alumni Association, and Chapter Chairman of YPO Gold, Philippines. He is a Member of the Philippine Chamber of Commerce and Industry, Employers Confederation of the Philippines, and the Makati Business Club. He was previously a Board Director of the Philippine Stock Exchange (PSE), First Metro Investment Corporation (FMIC), Philippine Savings Bank (PSBank), Philippine Banking Corporation (Philbank), Crown Equities Inc., PBC Capital and Investment Corporation, and Lincoln Electric Philippines Inc. He graduated from St. Mary's College of California with a Bachelor of Science in Financial Services Management Honors Program. He received his Master of Business Administration from J.L. Kellogg School of Management (Northwestern University) and the Hong Kong University of Science and Technology (HKUST) Graduate School of Management.
STEPHEN T. CUUNJIENG **Independent Director** **65 Years Old, Filipino** **Tenure: 6 years**	Mr. Stephen T. CuUnjieng was elected Director in 2018 and Chairman of the Related Party Transactions Committee. He is a member of the Compensation and Remuneration, Corporate Governance, and Audit Committees. He is an independent director at Century Properties Group, Century Pacific Food, Inc. Philippine Bank of Communications, Pasay Harbor City Corporation and Cebuana Lhuilier Services and Greenergy Holdings, Inc. He is also a Founding Advisory Member of the ASEAN Advisory Group of the Financial Services Development Council of Hong Kong SAR. He was a Senior Adviser or Senior Managing Director at Evercore and Chairman at Evercore Asia Limited from 2009 to 2022. He is part of the Executive Advisory Board for Asia of the Wharton School of Business until May 2024, and is part of the International Advisory Board of the New York Philharmonic. He was previously an independent director of Aboitiz Equity Ventures, an Adviser to the Board of SM Investments Corporation (2008-2017), and was a director of Manila North Tollways Corporation, Phoenix Petroleum, and Golden Springs. He was Vice Chairman, ASEAN of Macquarie (Hong Kong) Limited from 2007 to 2009. He is a member of the Audit Committee, Corporate Governance Committee and the Board Risk Oversight Committee of FPH. He has a Degree in

	Bachelor of Arts (1980) and also a Bachelor's Degree in Law (with honors) (1984) from the Ateneo de Manila University and the Ateneo Law School. He also has a Master's Degree in Business Administration (Finance) from the Wharton School of Business (1986).
FRANCISCO ED. LIM **Independent Director** **70 Years Old, Filipino** **Tenure: 4 years**	Atty. Francisco Ed. Lim was elected Director in 2021 and is a member of the Audit, Corporate Governance, and Board Risk Oversight Committees. He is Senior Legal Counsel of the Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW). He holds the following positions: President and Chairman, AA Com Travel Philippines, Inc.; Co-Chairman, Capital Market and Development Council (CMDC); Trustee, CIBI Foundation, Inc.; Trustee and Chairman, Judicial Reform Initiative, Inc. (JRI); Trustee, Shareholders' Association of the Philippines (SharePhil); Member, Institute of Corporate Directors (ICD). He was the President of the Management Association of the Philippines (MAP) and Financial Executives Institute of the Philippines (FINEX). He served as President and CEO, and director of the Philippine Stock Exchange, Inc. (PSE), President and CEO of the Securities Clearing Corporation of the Philippines (SCCP). He also served as President of the Shareholders' Association of the Philippines (SharePHIL). He is a Director and Trustee of several companies. He is a law professor (on leave) at the Ateneo de Manila University and the San Beda Graduate School of Law. He is a Member of the Committee on the Revision of Rules, Supreme Court and Chair, the Committee on Commercial Law, Philippine Judicial Academy, among others. He is a columnist for Rappler. He graduated magna cum laude with a Bachelor of Philosophy and cum laude in Bachelor of Arts from the University of Santo Tomas. He completed his Bachelor of Laws degree (Second Honors) from the Ateneo de Manila University, and his Master of Laws degree from the University of Pennsylvania, USA. He is a member of both the Philippine Bar and the New York State Bar.
ROBERTA L. FELICIANO **64 Years Old, Filipino** **Tenure: 4 years**	Ms. Roberta L. Feliciano was elected Director in 2021 and is a member of the Board Risk Oversight Committee. She has been the Managing Director of ABS-CBN Foundation, Inc. (AFI) since 2021. Under her leadership, AFI is deepening its commitment to synergize its advocacies in disaster management, children's rights and development, education, environment, and sustainable livelihood through authentic collaborations, effective storytelling, and model-building. She is active in the civil society sector with designations that include Director, Philippine Council for Non-Government Certification (since 2022); Trustee, League of Corporate Foundations (since 2022); Chairperson of the SEA Institute (since 2010); President, Yoga Manila Inc. (since 2006); Trustee, Lopez Group Foundation, Inc. She is also a member of the Rockwell Land Corporation and Lopez Holdings Corporation board. She graduated from the Connecticut College in New London, Connecticut with a Bachelor of Arts in Government.
MERCEDES LOPEZ VARGAS **67 Years Old, Filipino** **Tenure: 4 years**	Ms. Mercedes Lopez Vargas was elected Director in 2021, and is a member of the Audit Committee. She is the President and Executive Director of the Lopez Group Foundation, Inc. (LGFI), a hub that coordinates, facilitates, and communicates the corporate social responsibility initiatives of all the major companies and foundations of the Lopez Group. Founded upon the pillars of public service, it reflects the commitment made by the present generation of Lopezes to continue a legacy of philanthropy and social

	responsibility for the Filipino people. She is also the Director of the Lopez Museum and Library, Former Vice President of Logistics for ABS-CBN Broadcasting Corporation, Chairperson of the Lopez Human Resources Council, and a Trustee for ABS-CBN Foundation and the Asian Eye Institute, all part of the Lopez Group of Companies. Ms. Vargas is a trustee of the Philippine Advocacy for Arts Foundation, Inc., organizer of the nationwide Philippine Art Awards; Co-Founder and President of Stilo Artefino Foundation, Inc., a movement that advocates the preservation, promotion, and sustainability of Philippine artisanal crafts and livelihood; Trustee of Asia Society Philippines; Founding Member of the Asia Venture Philanthropy Network Gender Platform; and Trustee of De La Salle College of St. Benilde. She took up B.A. in Communication Arts at Assumption College.
MIGUEL ERNESTO L. LOPEZ **56 Years Old, Filipino** **Tenure: 5 years**	Mr. Miguel Ernesto L. Lopez was elected Director of the Corporation last October 1, 2020, and is a member of the Executive, Audit, and Finance and Investment Committees. He has been a Director and Treasurer of Rockwell Land since 2009. Since 2016, he has been Senior Vice President and Head of Office Commercial Development of Rockwell Land. He was the Senior Vice President and General Manager of Rockwell Integrated Property Services, Inc. (RIPSI) from 2012 until he started heading the Office Development business of Rockwell Land in June 2016. He is also an Executive Vice President of Lopez Holdings Corporation. He is also a Director of Rockwell Leisure Club, Inc., Rockwell Carmelray Development Corp., Rockwell Nepomuceno Development Corporation, Third Generation Holdings Corp., Kamino Algae Technologies, Inc., Lopez, Inc., Rockwell MFA Corp., and Rockwell Primaries; and a Trustee of the Rockwell Center Association, Inc. He is the Chairman of the Board for 8 Rockwell Condominium Corporation since March 2022. He is a member of the Board of Trustees of Eugenio Lopez Foundation, Inc. and an Advisor and PR Officer of the Lopez Group Foundation Inc. He was previously part of the Board of Directors for Indra, Outsourced Telleserve Corporation, Meralco Industrial Engineering Services Corp., Philippine Commercial Capital, Inc. (PCCI), and PCCI Finance. His past positions include: Senior Vice President and General Manager of Rockwell Property Management Corp., Vice Chairman of Meralco Savings and Loan Association, Executive Director of Meralco Millennium Foundation, Inc., Vice President and Head of Corporate Affairs of Lopez Holdings Corp. He held several executive and management positions at Meralco from 2002-2010. Before this, he was with Maynilad Water Services, Inc. as head of its Central Business Area and BayanTel as AVP for Customer Service Division. Mr. Lopez holds a Bachelor of Science degree in Business Administration from Menlo College of California, USA, and attended the Executive Development Program of the Asian Institute of Management.
RIZALINA G. MANTARING **Lead Independent Director** **65 Years Old, Filipino** **Tenure: 9 years, ending May 2025.**	Ms. Rizalina "Riza" Gervasio Mantaring was elected Director in 2016 and is Chairperson of the Audit Committee. She is a member of the Compensation and Remuneration, Related Party Transactions, and Board Risk Oversight Committees. She likewise serves as Lead Independent Director. She is currently a Director of Sun Life Grepa Financial. She retired as CEO and Country Head of the Sun Life Financial group of companies in the Philippines in June 2018. She first joined Sun Life in 1992 as Senior Manager for Asia Pacific of its Information Systems Department. She progressively took on a variety of roles until she was appointed Chief

	Operations Officer for Asia in 2008. The following year, she became Deputy President for Sun Life Philippines in March, then President and CEO in August. Riza graduated cum laude with a BS in Electrical Engineering degree from the University of the Philippines and an MS in Computer Science from the State University of New York at Albany. She is a Fellow of the Life Management Institute (with distinction). Currently, Ms. Mantaring also serves as Independent Director of Ayala Corporation, Bank of the Philippine Island, PHINMA Corporation, Universal Robina Corporation, Inc., Maxicare Healthcare Corp., GoTYME Bank, BPI Asset Management & Trust Corp. and East Asia Computer Center Inc. She was the President of the Management Association of the Philippines in 2019. She is also a member of the Boards of Trustees of the Makati Business Club (Treasurer), Philippine Business for Education, and Private Sector Advisory Council of the President of the Philippines.
CIRILO P. NOEL **Independent Director** **68 Years Old, Filipino** **Tenure: 4 years**	Mr. Cirilo "Vic" P. Noel was elected as Director in 2021 and is Chairman of the Board Risk Oversight Committee. He is a member of the Audit and Related Party Transactions Committees. He is the Chairman since May 2024 of Security Bank Corporation, and has been a Director since April 2018, where he was appointed Vice Chairman in 2020. He is a lawyer and certified public accountant (CPA). He is the Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc., and Cofiar Land Corp. He is a Director of Eton Properties, Inc., Transnational Diversified Group Holdings, Amber Kinetics Holdings Co., PTE Ltd., Globe Telecom, Inc., LH Paragon Group, Golden ABC, San Miguel Foods and Beverage, Inc., and Robinsons Retail Holdings. He is also a member of the Board of Trustees of St. Luke's Medical Center Quezon City and St. Luke's Medical Center College of Medicine. He sits as a board member of St. Luke's Medical Center - Global City and St. Luke's Foundation, Inc. He is affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines. He was a Director of Philippine Airlines, PAL Holdings, Inc., and JG Summit Holdings. He was recognized as the 2019 Outstanding CPA by the Professional Regulations Commission for his distinguished contributions to the fields of accountancy, tax, and law. He held various positions in SGV & Co., including Chairman, Managing Partner, Vice Chairman and Deputy Managing Partner, Head of Tax Division, and Partner, Tax Services. For two terms, he was a member E&Y Global Advisory Council member. He was also Ernst & Young (EY) ASEAN Tax Head and Far East East Area Tax Leader from 2004 to 2009 and the Presiding Partner of E&Y Asia Pacific Council. He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Laws from the Ateneo Law School. He took a Master of Laws at Harvard Law School. He is a Harvard International Tax Program fellow and attended the Asian Institute of Management Program Management Development Program.
FRANCIS GILES B. PUNO **60 Years Old, Filipino** **Tenure: 13 years**	Mr. Francis Giles B. Puno was elected Director in March 2011 and is a member of the Executive, Compensation and Remuneration, Corporate Governance, and Finance and Investment Committees. He was appointed as President and Chief Operating Officer of FPH, effective October 2015. He is a member of the Executive Committee, Finance and Investment Committee, and the Board Risk Oversight Committee. He was Chief Finance Officer and Treasurer of FPH in October 2007 (promoted to

	Executive Vice President in September 2011), a position he held until September 30, 2015. He was Vice President since he joined the Corporation in June 1997. He is currently the Vice-Chairman, President and Chief Operating Officer of First Gen. He is a Director of the Energy Development Corporation and its various subsidiaries since 2007 and was appointed as Vice Chairman and Chief Executive Officer last July 1, 2023. He is also Chairman of First Batangas Hotel Corp. and First Philippine Development Corp. He is President of First Philippine Industrial Park, Inc., FPH Capital Resources, Inc., First Philippine Utilities Corp., FPHC Realty & Development Corp., and First Philippine Realty & Development Corp. He is Vice Chairman of First Philec, Inc. and FPH Land Ventures, Inc. He is likewise a director of First Balfour, Inc., Terraprime, Inc., ThermaPrime Drilling Corp., First Philippine Electric Corp., First Philec Energy Solutions, Inc., First Philec, Inc., First Philec Manufacturing Technologies Corp., First Philippine Power Systems, Inc., First Philippine Industrial Park, Inc., FPIP Property Developers & Mgt. Corp., FPIP Utilities, Inc., First Philippine Properties Corp., First Philippine Realty Corp., First Industrial Township, Inc., First Industrial Township Utilities, Inc., First Industrial Township Water, Inc., Grand Batangas Resort Development, Inc., Rockwell Land Corp., FP Island Energy Corp., First Industrial Science, and Technology School, Inc., Pi Energy Inc. and Pi Health Inc. Before joining FPH, he worked with the Chase Manhattan Bank as Vice President for its Global Power and Environmental Group. He is a Trustee for the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc., Lopez Group Foundation Inc., Eugenio Lopez Foundation Inc., Knowledge Channel Foundation, Inc., Sikat Solar Challenge Foundation, Inc. and Philippine Business for Social Progress. He has a Bachelor of Science degree in Business Management from the Ateneo de Manila University and a Master in Business Administration degree from Northwestern University's Kellogg Graduate School of Management in Chicago, Illinois.
SANTIAGO DIONISIO R. AGDEPPA[1] **62 Years Old, Filipino** **Tenure: 1 year**	Mr. Santiago Dionisio R. Agdeppa is a Certified Public Accountant (CPA) – Lawyer. He is also a Career Service Executive Eligible. He was elected as Director in May 2024. He is also a Director of Union Bank of the Philippines starting December 2024. He was a director with Philex Mining Corporation until January 2024, Philamlife Tower Management Corporation and PLDT Corporation until December 2024, and Vice Chairman of AIA Tower Corporation until December 2023. After passing the CPA Board Examination, he worked briefly from 1984 to 1985 as an accounting staff in the private sector. From 1985 to 1990, he worked in the Commission on Audit with the last position held as State Auditor II. He transferred to the SSS Legal Department in 1990. In 2005, he became the Assistant Vice President of Cluster Legal Support (renamed as Operations Legal Department). He was also the Officer-in-Charge of the NCR Central Cluster Legal Unit from 2005-2010 and Legal Adviser and Legal Counsel, SSS Provident Fund (2003 - 2010). He was promoted as Senior Vice President in November 2014. He was a non-voting member of the SSC Board Audit Committee (from 2010 to 2014) and was a member of various SSS Management Committees. He attended official seminars such as the Training Program on Pension Schemes (Italy), Management Course (U.S.),

[1] Resigned on January 13, 2025 in view of his retirement from the Social Security System (SSS), of which he was its director-nominee.

	Data Security (U.S.), Compliance and Ethics (U.S.), and various seminars on legal education as well as training courses by the Institute of Corporate Directors.
ANITA B. QUITAIN[2] **78 Years Old, Filipino** **Tenure: 6 years**	Ms. Anita B. Quitain was elected Director in 2018 and is a member of the Board Risk Oversight Committee. She is a Commissioner of the Social Security System, having been appointed by President Rodrigo R. Duterte at the start of his administration in 2016. She was elected Director of the Corporation last March 1, 2018. She graduated from the University of Mindanao in Davao City, where she earned the degree of Bachelor of Science in Elementary Education. She worked as a public school classroom teacher for ten (10) years, after which she transferred to the Social Security System, Region 09. Ms. Quitain also studied accounting for two (2) years at the University of Mindanao and took up masteral studies, earning thirty-seven (37) units. Starting her SSS stint as a simple clerk, she slowly rose through the ranks and served the SSS in various capacities. She headed the following sections of the SSS, Region 09, namely: Membership, Real Estate, Operations Accounting, Membership Assistance Center, and Sickness, Maternity, and Disability. She also served as Head of the then-newly-opened SSS Representative Office in Digos, Davao del Sur, for five (5) years. She retired from the SSS on July 15, 2009, after 31 years of continuous and dedicated service. She brings this wealth of experience to her present post and as director of FPH.
EMMANUEL P. SINGSON **59 Years Old, Filipino** **Tenure: 4 years**	Mr. Emmanuel P. Singson was elected Director in 2021 and is a member of the Executive, Finance and Investment, and Related Party Transactions Committees. He was promoted to Executive Vice President, Treasurer, and Chief Finance Officer of FPH, effective October 2021. He is presently the EVP, Treasurer, and CFO of First Gen Corporation, which he joined in 2001. He has led, structured, negotiated, and implemented multiple financing initiatives for First Gen and its subsidiaries, including the USD1.5B EDC acquisition in 2007 and the USD544M Sta. Rita Refinancing in 2008, and the USD360M Acquisition of British Gas shares in the First Gas companies in 2012. A number of key initiatives were undertaken under unfavorable financial circumstances. He was appointed Vice President of First Gen in 2005 and Head of Investor Relations in 2007. He was appointed Treasurer in 2010 and CFO in 2011. He is currently the President of First Philippine Development Corp. He is likewise Director and Treasurer of First Philec, Inc., FPH Land Ventures, Inc., First Philippine Properties Corp., First Philippine Realty Corp., FP Island Energy Corp., First Industrial Science, and Technology School, Inc., Grand Batangas Resort Development, Inc., First Philippine Utilities Corp., Pi Energy, Inc. and Pi Health, Inc. Mr. Singson is Director of First Balfour, Inc., Terraprime, Inc., First Philippine Electric Corp., First Industrial Township, Inc., First Industrial Township Utilities, Inc., First Industrial Township Water, Inc., First Philippine Industrial Park, Inc., FPIP Property Developers & Management Corp., FPIP Utilities, Inc., and FPH Capital Resources, Inc. He is likewise Treasurer of First Sumiden Realty, Inc. He is also a member of the board of trustee to the following foundations: Knowledge Channel Foundation, Inc, Ang Misyon, Lopez Group Foundation, Inc. (LGFI), and Solar Village Foundation. Mr. Singson holds a Bachelor of Science degree

[2] Resigned on April 19, 2024 due to the end of her tenure as a member of the Social Security Commission, the governing board of the SSS, of which she was its director-nominee.

	in Business Management from the Ateneo de Manila University (1987).
RICHARD B. TANTOCO **58 Years Old, Filipino** **Tenure: 6 years**	Mr. Richard B. Tantoco was elected Director of the Corporation on March 1, 2018, and is a member of the Executive, Finance and Investment, and Related Party Transactions Committees. He was an Executive Vice President from September 2011 to June 2023 and a Vice President of the Corporation from May 1997 to August 2011. He was the President and Chief Operating Officer of Energy Development Corporation from 2009 to 2023 and is a Director of the Corporation and several EDC subsidiaries. He also sits as a Director of First Gen Corporation since August 2005 and was an Executive Vice President of the company and several First Gen subsidiaries and its affiliates from 2007 to June 2023. He is also an independent director of Cebu Air, Inc since 2021. He was the President from 2012 to 2023 and is a Trustee of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc., and is a Trustee in the board of several non-profit organizations, such as KEITECH Educational Foundation, Inc., Business for Sustainability Development, Inc., The Eugenio Lopez Foundation, Inc., and The Knowledge Channel. Before joining FPH, he worked with Procter and Gamble Philippines as a Brand Manager and with the management consulting firm Booz, Allen, and Hamilton, Inc. in New York and London where he specialized in mergers and acquisition advisory, turnaround strategy advisory, and growth strategy formulation for media and manufacturing companies. Mr. Tantoco has an MBA in Finance from the Wharton School of Business of the University of Pennsylvania (1993) and a B.S. degree in Business Management from the Ateneo de Manila University, where he graduated with honors (1998).
Senior Board Adviser **JONATHAN C. RUSSELL** 60 Years Old, British	Mr. Jonathan C. Russell, has been Senior Adviser of FPH since August 2012. He has been a Director of the Energy Development Corporation since November 2007. He is also an Executive Vice President and Chief Commercial Officer of First Gen Corporation. He was Vice President of Generation Ventures Associates (GVA), an international developer of independent power projects based in Boston, USA, responsible for developing 1,720MW of IPP projects in Asia. Before joining GVA, he worked for BG PLC based in London and Boston, responsible for developing power and natural gas distribution projects. He has a Bachelor of Science degree in Chemical and Administrative Sciences (with Honors) (1987) and a Master of Business Administration in International Business and Export Management degree (with Distinction) (1989), both from City University Business School in London, England.
Senior Board Adviser **MARIO L. BAUTISTA** 71 Years Old, Filipino	Mr. Mario L. Bautista has been Board Adviser of FPH since May 2015. He is currently a Director of ABS-CBN Corporation. He also sits as a director of Asian Eye Institute, Inc. He is a Founding Partner of the Poblador Bautista and Reyes Law Office and has been its Managing Partner since 1999 until the present. He graduated with a Bachelor of Communication Arts from the Ateneo de Manila University (1975). He obtained his Bachelor of Laws Degree from the University of the Philippines (1979), ranking 6th in the Bar Examinations of that year. He was a Professor of Criminal Law at the Ateneo de Manila School of Law.
Senior Board Adviser **WALTER C. WASSMER**	Mr. Walter C. Wassmer was appointed Senior Board Adviser in November 2022 until his resignation. Mr. Wassmer was a member of the Board of

66 Years Old, Filipino[3]	Directors and Management and Technical Consultant of BDO Unibank, Inc. He was previously Chairman and Officer-In-Charge of BDO Elite Savings Bank, Inc., and held directorships in BDO Leasing and Finance, Inc., BDO Finance Corporation, BDO Capital & Investment Corporation, MMPC Auto Financial Services Corporation, MDB Land, Inc., Mabuhay Vinyl Corporation, and Banco De Oro Savings Bank, Inc. Mr. Wassmer holds a Bachelor of Science degree in Commerce from De La Salle University (1979) and completed a Management Development Program from the Asian Institute of Management (1988).

Officers and Senior/Board Advisers of the Corporation as at December 31, 2024

VICTOR EMMANUEL B. SANTOS, JR. 57 Years Old, Filipino	Mr. Victor Emmanuel B. Santos, Jr. was promoted from Senior Vice President to Executive Vice President in October 2021. He has been Vice President since March 30, 2001. He is currently Executive Vice President of First Gen. He is Director of Terraprime, Inc., First Philippine Electric Corp., First Philec, Inc., First Philec Manufacturing Technologies Corp., First Philippine Industrial Park, Inc., First Philippine Properties Corp., First Industrial Science and Technology School, Inc., and Pi Health, Inc. Before joining FPH, he worked as Director for Global Markets at Enron Singapore. He earned his MBA in Finance at Fordham University, New York (1995).
ANTHONY M. MABASA 65 Years Old, Filipino	Mr. Anthony M. Mabasa was appointed Senior Vice President last September 2011. He has been a Vice President of the Corporation since 1994. He is currently the President of ThermaPrime Drilling Corp and First Phil. Industrial Corp. (FPIC). He is also a Director of First Balfour, Inc. He was President of Tollways Management Corporation from 2003 to 2008, President of FPIC from 2000 to 2003, an Executive Vice President of First Balfour from 1998 to 1999 and President & Chief Operating Officer of ECCO-Asia from August 1994 to October 1999. He earned a Bachelor of Science in Commerce degree, Major in Management of Financial Institutions, from De La Salle University (1979). He pursued his Masters in Business Administration degree at the University of the Philippines (1994).

[3] Resigned as of July 25, 2024, due to his appointment to the BSP Monetary Board.

RENATO A. CASTILLO 70 Years Old, Filipino	Mr. Renato A. Castillo has been Senior Vice President & Chief Risk Officer since August 2015. He is currently Senior Vice President, Chief Risk Officer & Chief Information Security Officer of First Gen Corporation, a position he has held since 2011 and 2023 respectively. He is also the Risk Management Officer of FPH since 2013. He is a Director of Terraprime, Inc., FPH Land Ventures, Inc., First Batangas Hotel Corp., First Philippine Realty Corp., FPH Capital Resource, Inc., FPH Realty & Dev't. Corp., First Philippine Realty & Dev't. Corp, First Philippine Electric Corp., First PV Ventures Corp., First Philippine Nexolon Corp., First Philippine Solar Corp., Philippine Electric Corp., First Philippine Utilities Corp., Legacy Homes Inc., FWV Biofields Corp., First Southern Philippines Enterprises Inc. Prior to joining First Gen, he was President and Chief Executive Officer of Manila North Harbour Port, Inc. from 2010 to 2011. Before this he held key positions in several financial institutions, the most recent being EVP and Chief Credit Officer of Philippine National Bank (2005-2010). He holds a Bachelor of Science in Commerce, Major in Accounting, from De La Salle University.
JOSE VALENTIN A. PANTANGCO, JR. 53 Years Old, Filipino	Mr. Jose Valentin A. Pantangco, Jr. is a Senior Vice President as of February 3, 2023, and has been the Head of Corporate Planning since October 2016. He concurrently serves as President and COO of First Balfour, Inc., Chief Commercial Officer of First Philippine Industrial Park, Inc., President of Asian Eye Institute, President of First College, President of Medical Services of America [Philippines] Inc., President of Pi Health, Inc. [marketed under the brand PiVot], President of First Sumiden Realty, Inc., President of FPH Land Ventures, Inc. He is also a Director of Rockwell Land Corp., Terraprime, Inc., First Philippine Electric Corp., First Batangas Hotel Corp., First Industrial Township, Inc., First Balfour, Inc., First Philippine Development Corp., First Philippine Industrial Park, Inc., FPIP Property Developers & Management Corp., FPIP Utilities, Inc., ThermaPrime Drilling Corp., First Philippine Realty Corp., Grand Batangas Resort Dev't., Inc., First Philippine Industrial Corporation. Prior to joining FPH, he was Managing Director for Consultancy and Business Development of Changi Airports International from 2007 until 2016. From 2004 to 2006 he was Senior Associate at McKinsey and Company. He is a graduate of the Harvard Business School with a Masters in Business Administration degree (2004) and of the Ateneo de Manila University with a Bachelor of Arts degree in Economics (1994).
ANNA KARINA P. GEROCHI 57 Years Old, Filipino	Ms. Anna Karina P. Gerochi has been Vice President since March 2012. She has been Vice President & Head of the Human Resource Management Group of FPH since 2013, of First Gen since 2012, and of the First Philippine Industrial Park Group since 2019. Ms. Gerochi graduated with a Bachelor of Arts Degree in Mathematics from Cornell University in 1988 and a Master of Engineering Degree in Operations Research and Industrial Engineering from the same university in 1989. She completed her Executive Master in Business Administration (with distinction) at the Asian Institute of Management (AIM) in 2006. Before her assignment at First Gen, she was assigned as Vice President and General Manager of Asian Eye Institute. Prior to joining FPH, she was a Project Development

	Officer at Ayala Land, Inc. and a Planning Analyst at Pacific Gas and Electric Company in California.
ANTHONY L. FERNANDEZ 65 Years Old, Filipino	Mr. Anthony L. Fernandez has been Senior Vice President since February 2023. He is the Vice Chairman and Chief Executive Officer of First Balfour, Inc. (FB), a wholly-owned subsidiary of the Corporation since October 2024. He currently serves as the Chairman of Therma One Transport Corporation and a Director of Thermaprime Drilling Corporation, Torreverde Corporation, Terraprime, Inc., Konecranes Philippines, Inc., and the Philippine Overseas Construction Board. He is also the President of Batangas Bay Towage, Inc. and the Philippine Construction Association Foundation. He previously held office as President of the Philippine Constructors Association, Inc. (PCA) in 2008 and Chairman of Philconstruct Events, Exhibitions, and Conferences Corp (PEECC) in 2017. Mr. Fernandez holds a Bachelor of Science degree in Mechanical Engineering from the De La Salle University and has completed executive programs at the Asian Institute of Management and IMD. He is also one of the first Filipino stewards of the Council for Inclusive Capitalism (CIC), a select pool of leaders who have committed to create a more inclusive, sustainable, and trusted form of capitalism.
EMELITA D. SABELLA 62 Years Old, Filipino	Ms. Emelita D. Sabella has been Vice President since August 2013. She handles finance and treasury matters with FPH's Treasury Group. She is currently the Chief Finance Officer & Treasurer of Thermaprime Drilling Corp., Chief Finance Officer of First Philippine Electric Corp. and Treasurer of First Philec Inc. She is the Assistant Treasurer of Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc. She served as FPH's Investor Relations Officer from August 2013 up to May 2023. She was a CFO, Treasurer, and Assistant Treasurer of several FPH subsidiaries up to October 2023. She graduated with a Bachelor of Accountancy (*Cum Laude*) from the Polytechnic University of the Philippines (1983). She holds an EMBA degree from the Asian Institute of Management and is a Certified Public Accountant.
JONATHAN C. TANSENGCO 58 Years Old, Filipino	Mr. Jonathan C. Tansengco has been Vice President since February 2014. He is currently Senior Vice President & Chief Finance Officer of First Balfour, Inc., the construction arm of FPH. Concurrently, he also leads a team in First Balfour that explores opportunities in clean investments. He also serves as Treasurer of First PV Ventures Corp., First Philec Manufacturing Technologies Corp., First Philec Solar Solutions Corp. and First Phil. Power Systems, Inc. Prior to this role, he served as Chief Finance Officer of First Phil. Electric Corp. Before joining the FPH Group, he was Senior Vice President and Head of the Financial Advisory and Project Development Group of Investment & Capital Corporation of the Philippines (ICCP). He is a B.S. Industrial Engineering graduate of the University of the Philippines and holds a Master of Business Administration degree from the Columbia University Graduate School of Business, New York, USA (1993).

RAMON A. CARANDANG 57 Years Old, Filipino	Mr. Ramon A. Carandang has been Vice President since May 2015. He also serves as Vice President at First Gen Corporation and concurrently holds the role of External Affairs Head and Vice President at First Philippine Industrial Park. He was also the former Head of Corporate Communications for Energy Development Corporation. He was in government from July 2010 to December 2013 as Secretary of the Presidential Communications Development and Strategic Planning Office at the Office of the President. Prior to this, he was a News Anchor/Field Reporter/Interviewer at ABS-CBN News from 2000 until June 2010. He graduated with an AB in Management Economics from the Ateneo de Manila University (1989)
SHIRLEY H. CRUZ 55 Years Old, Filipino	Ms. Shirley H. Cruz has been Vice President and Chief of Staff, Office of the Chairman since August 2015. As Chief of Staff, she manages the Office of the Chairman and CEO and acts as liaison to the senior management teams of the various FPH subsidiaries. She also coordinates external relations efforts, oversees special projects and events, and collaborates with the various foundations supported by FPH. She is Vice President and Head of Corporate Social Responsibility at First Gen Corporation, is Vice President and Head of Corporate Services at Pi Energy Inc., and also serves as Vice President of Ang Misyon, Inc. She has a Bachelor of Science degree in Economics (*Cum Laude*) from the University of the Philippines (1990).
MARIA CARMINA Z. UBAÑA 48 Years Old, Filipino	Ms. Maria Carmina Z. Ubaña has held the position of Vice President and Controller since April 2017. She is concurrently Vice President and Controller of First Gen Corporation, a position she has held since 2011. She was appointed as Senior Vice President and Controller in certain subsidiaries of the First Gen group effective January 2025. In addition, she is also a member of the Board of Directors of FGEN LNG Corporation and the First Gas Group of Companies. She is also a Director and Controller of First Philippine Electric Corp. and First Philippine Realty Corporation, and has been a member of the Board of Trustees of Solar Village Foundation since May 2024. Before joining the First Gen group in 2000 as an Assistant Accounting Manager, Ms. Ubaña worked as an Auditor (Senior Audit In-charge) at SGV & Co. from 1997 to 1999. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines, which she obtained in 1996. She successfully passed the board examinations for Certified Public Accountants in May 1997. Furthermore, she has earned credits towards a Master's in Business Administration from the De La Salle University Graduate School of Business.

ALEXANDER M. ROQUE 64 Years Old, Filipino	Mr. Alexander M. Roque has been Vice President since November 2017. He is currently SVP for Head of Construction and Technical Design and Planning for 1.0 of First Philippine Industrial Park. He is also the General Manager for FPIP Utilities, First Industrial Township, Inc., First Industrial Township Utilities, and First Industrial Township Water. He also serves as Senior Vice President of FPIP Property Developers & Management Corp. He has been part of the FPH Group since April 1996. He was first assigned as Project Manager for First Sumiden Circuits, Inc., and after his first year was assigned as AVP for Engineering and Construction and Vice President/SVP Park Management at First Philippine Industrial Park and Project manager for Asian Eye Institute. Prior to joining FPH, he worked in the semiconductor industry with Semiconductor Devices Phil. Inc., Integrated Microelectronics, Inc. (IMI) and Amkor Anam Pilipinas, Inc., among others. He holds a B.S. Mechanical Engineering degree from the Mapua Institute of Technology (1983).
MILAGROS D. FADRI 63 Years Old, Filipino	Ms. Milagros D. Fadri has been Vice President since August 2018. She is the Head of Compensation and Benefits (C&B) Management for FPH and First Gen Group. She also handles key executive C&B management for key officers of FPH & First Gen Group. Prior to these functions, she handled HR Operations for FPH, including C&B, performance management, employee relations, and recruitment. She joined FPH in August 1990 and was an Assistant Vice President in the Human Resources Management Group prior to this appointment. She is a Certified Total Rewards Professional (CTRP) granted by the Asean Total Rewards Institute. She holds a B.S. Psychology degree from the University of the Philippines.
ENRIQUE I. QUIASON 64 Years Old, Filipino	Mr. Enrique I. Quiason has been the Corporate Secretary of the Corporation since February 1993. He is a Senior Partner of the Law Firm of Quiason Makalintal. He is also the Corporate Secretary of Lopez Holdings, Rockwell Land Corporation and of ABS-CBN. He is also the Corporate Secretary and Assistant Corporate Secretary of various subsidiaries or affiliates of FPH and Lopez Holdings. He graduated with a B.S. Business Economics (*Cum Laude*) degree in 1981 and with a Bachelor of Laws degree in 1985 from the University of the Philippines. He received his LL.M. in Securities Regulation from Georgetown University in 1991. His law firm acts as legal counsel to the Lopez group.
RACHEL R. HERNANDEZ 56 Years Old, Filipino	Ms. Rachel R. Hernandez was appointed Vice President, Assistant Corporate Secretary in July 2022, and Compliance Officer of the company in September 2023. Ms. Hernandez is currently Vice President (since 2013) and Corporate Secretary (since 2009) of First Gen Corporation. Prior to joining First Gen, she was Legal Counsel at CalEnergy International Services, Inc. She holds Bachelor of Laws (1992) and Bachelor of Arts in Philosophy (1986) degrees from the University of the Philippines. She is a member of the Philippine Bar and New York State Bar.

AGNES C. DE JESUS 71 Years Old, Filipino	Ms. Agnes C. De Jesus has been Vice President & Chief Sustainability Officer since February 2014. She brings to the Corporation her extensive ground experience on environmental and social impact assessment, forest biodiversity and ecosystems, government relations, policy formulation, Corporate Social Responsibility and conflict management. In recognition of her expertise, she was selected by an international panel as part of Asia's Top Sustainability Superwomen Honor List in 2018. In September 2021 she was selected as one of Diligent's 2021 Modern Governance 100 under the ESG and Diversity Trailblazer category. In April 2022, she was installed as a member of the NEDA SDG Stakeholders' Chamber on the Working Group and is a member of the Environmental Sector. In addition to her corporate functions, Ms. de Jesus contributes to the environmental field through other responsibilities entrusted to her by various organizations. She is a trainer in the Environmental and Social Sustainability Center of the University of the Philippines, a member of the Advisory Council of the Business for Sustainable Development-Philippines (BSD) since 2014 and since 2021 the Business Task Force Head of the climate movement "Ako ang Bukas" convened by Green Convergence. She served as Chairman of the National Steering Committee of the UNDP Small Grants Project in 2011, an environmental consultant of Kenya Geothermal Program from 1998-2011 and the Environmental Editor of the International Journal of Geothermal Research and its Applications from 1996-2004. She was a speaker and lecturer in 22 foreign and 87 local conferences and the author of 27 environmental and social articles and books. Prior to joining FPH, she was SVP for Environment and External Relations, and Compliance Officer, of Energy Development Corporation, where she served for 34 years until 2014. She has a B.S. and an M.S. in Botany, both from the University of the Philippines. She is also a graduate of the Management Development Program of the Asian Institute of Management. She is a co-lead author of the "Philippine Climate Change Assessment Report- Working Group 3 on Mitigation of Climate Change" issued by the Oscar M. Lopez Center, Department of Environment and Natural Resources and the Climate Change Commission during COP 29 in November 2024. She is a chapter contributor to the book "Geothermal Power Generation, Developments and Innovation" published by Elsevier in 2025, where she contributed "Chapter 18: Environmental and Sociocultural Benefits and Challenges Associated with Geothermal Power Generation".

ANGELO G. MACABUHAY 55 Years Old, Filipino	Mr. Angelo G. Macabuhay has been Head of Internal Audit since September 2019. He is also the Head of Internal Audit (Vice President) of First Gen Corporation. He has 31~~0~~ years of diverse experience within the Lopez Group. Prior to his Internal Audit assignment in First Gen, he was Business Development Officer for the LNG business, specifically exploring potential LNG supply sources for First Gen, developing financial and pricing models, and advocating the introduction of LNG use in the Philippines with regulators. In FPH, he conducted and led internal audits of FPH and its subsidiaries such as First Gas Power and FGP Corp., First Philippine Industrial Park, First Philec, First Balfour, and others. He was also assigned to non-audit positions such as Accounting Head of First Balfour, Operations Manager of Securities Transfer Services, Inc., and Investor Relations Officer of FPH. He holds a B.S. Commerce (Major in Accounting) degree from San Beda University (1991). He is a Certified Public Accountant, placing 14th in the 1992 National CPA Board Examinations, and an accredited Certified Internal Auditor by the Institute of Internal Auditors, U.S.A. He also attended the Executive MBA Program of the Asian Institute of Management.
RENE J. MAYOL 59 Years Old, Filipino	Mr. Rene J. Mayol was appointed Vice President on March 4, 2021. He is currently the Head of Risk Management of the Corporation, where his team conducts operational and strategic risk assessments, reviews and reporting to Senior Management and to the Board Risk Oversight Committee, covering the operating companies of the FPH Group. He initiated the Business Continuity Management program development and deployment, including Emergency Response, Crisis Management, and Business Recovery stages for the FPH Group, during the Pandemic and later on for the Big One scenario. He established the Environment, Safety and Health management system standards and led the Business Excellence programs of the Lopez Group. He was a member of the Technical Committee of the Philippine Business for the Environment and a Senior Examiner and Technical Editor of the Philippine Quality Award of the Development Academy of the Philippines and the Department of Trade and Industry. He holds a B.S. Electronics & Communications Engineering degree (Magna Cum Laude) from the University of San Carlos, Cebu City, and an Executive Master in Business Administration from the Asian Institute of Management. He earned units in Environmental Studies from Miriam College.

ERNIE G. IMPERIAL 56 Years Old, Filipino	Mr. Ernie G. Imperial was appointed as Vice President & Chief Digital Officer of the company in October 2021, and President and COO of IBSI in September 2023. He has been tasked to engage with leaders from across the FPH Group to develop its digital and shared services strategy and operations, accelerate cross-functional initiatives, and explore digital-first opportunities. He is responsible for driving digital transformation through innovation, capability build, and efficiency improvement across all operating companies in the FPH Group. His focus is the creation of new value through the smart use of digital tools, platforms, technologies, services, and processes. Mr. Imperial is an experienced transformation and technology executive, having held leadership roles at Globe Telecom, ABS-CBN, Meralco, ANZ Bank, and Deutsche Knowledge Services. He holds a Bachelor of Science degree in Computer Science, Major in Information Technology (1990) from the De La Salle University.
KAREN Y. CHUNG 48 Years Old, Filipino	Ms. Karen Y. Chung was appointed Vice President last March 3, 2022 and serves as FPH's Head of Finance and Investor Relations Officer. As Head of Finance, she has negotiated and executed financing and other initiatives for FPH and its subsidiaries, including a P12B loan facility in 2020 and the 2021 tender offer by FPH for the Lopez Holdings shares held by the public. She currently serves as the Chief Finance Officer of Pi Energy, FP Island Energy and Terraprime. She is also the Treasurer of First Philippine Industrial Park, First Batangas Hotel, First Industrial Township, First Industrial Township Utilities, First Industrial Township Water, FPIP Utilities and Infopro Business Solutions. She has been with the FPH group since March 1, 2012. She was hired as AVP – Corporate Finance for First Philippine Electric Corporation, the holding company for FPH electrical utilities businesses including Philec, before moving to FPH in 2015 as AVP – Finance and Treasury, where she was appointed as the Head of Finance in 2021. Prior to joining the group, she worked for a US-based real estate investment company Capmark, the Philippine National Bank, and the Guoco Group of Companies. She holds a B.A. Economics degree from the Ateneo de Manila University.
JANINNA CYNTHIA P. MENDOZA 54 Years Old, Filipino	Ms. Janinna Cynthia P. Mendoza was appointed as Vice President of Strategic Brand Management of the company in April 2023. In this role, Ms. Mendoza leads the continuous refinement of the FPH brand architecture and strategy to reinforce its position among the Philippines' leading business conglomerates. The functions of this position also include the reinforcement of the FPH business units as established industry leaders in terms of growth, innovation and environmental stewardship. This position also ensures the alignment of portfolio brand management with enterprise and subsidiary growth strategies. Ms. Mendoza has extensive marketing and sales, business development and corporate planning experience, with leadership positions in First Philippine Industrial Park, where she holds the concurrent position of Vice President of Marketing, Customer Relationship Management and Communications, as well as leadership positions in the automotive industry with Ford Group Philippines, Mazda Southeast Asia, and Volkswagen Philippines. Prior to this, Ms. Mendoza also had business and policy development-related work in the telecommunications and tourism

	industries, and was an industry consultant with the Board of Investments. Ms Mendoza was a lecturer at the University of the Philippines, where she obtained both her undergraduate (BS Tourism Management) and master's (MBA, Honors) degrees.
LIANNE M. BACORRO 42 years old	Ms. Lianne M. Bacorro was appointed as Assistant Compliance Officer of the company in September 2023. Before joining First Gen Corporation in 2020, she was the Deputy Data Protection Officer of Ateneo de Manila University from 2019 to 2020. Previously, she was legal counsel of the company from 2012 to 2018. She holds a Juris Doctor of Laws degree from University of the Philippines (2007) and a Bachelor of Arts degree in Psychology from Ateneo de Manila University (2003). She is a member of the Philippine Bar.

Family Relationships

a.) Mr. Federico R. Lopez, Ms. Mercedes Lopez-Vargas, and Mr. Benjamin R. Lopez are siblings.
b.) Mr. Miguel Ernesto L. Lopez is the cousin of Mr. Federico R. Lopez, Ms. Mercedes Lopez-Vargas, and Mr. Benjamin R. Lopez.
c.) Ms. Roberta L. Feliciano is the cousin of Mr. Federico R. Lopez, Ms. Mercedes-Lopez Vargas, and Mr. Benjamin R. Lopez.

Involvement in certain legal proceedings

With respect to the last five (5) years and up to the date of this Information Statement:

(i) The Corporation is not aware of any bankruptcy proceedings filed by or against any business of which a director, person nominated to become a director, or executive officer or control person of the Corporation is a party or of which any of their property is subject.

(ii) The Corporation is not aware of any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its directors, or executive officer or control person nominated to become a director, executive officers or control person.

(iii) The Corporation is not aware of any order, judgment or decree not subsequently reversed, superseded or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of a director, person nominated to become a director, executive officer or control person in any type of business, securities, commodities or banking activities.

(iv) The Corporation is not aware of any findings by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of its directors, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

Item 10. Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary	Bonus	Other Compensation
Federico R. Lopez, Chairman & CEO				
Benjamin R. Lopez, Vice Chairman & SVP				
Francis Giles B. Puno, President & COO				
Emmanuel Antonio P. Singson, EVP, Treasurer & CFO				
Jose Valentin A. Patangco, Jr., SVP & Head, Corporate Planning				
TOTAL for the top 5 most highly compensated directors/officers named above[1] (Estimated)	2025	₱88,859,448	₱83,858,392	₱–
(Actual)	2024	86,936,409	96,938,510	–
(Actual)	2023	74,531,360	70,473,992	–
All other directors (Estimated)	2025	₱–	₱86,666,667	₱–
(Actual)	2024	–	86,666,667	–
(Actual)	2023	–	61,111,111	–
All other officers (Estimated)	2025	₱26,967,852	₱16,171,866	₱–
As a group unnamed (Actual)	2024	56,256,767	32,816,075	–
(Actual)	2023	45,236,641	31,542,808	–

[1] Includes projected movements of personnel who would qualify.

Compensation of Directors

A. Standard Arrangements. Directors receive a per diem of ₱20,000 for every board meeting. Under the Corporation's By-Laws, directors may receive up to a maximum of Three Fourths (3/4) of One Percent (1%) of the Parent Company's annual profits or net earnings as may be determined by the Chairman of the Board and the President.

B. Other Arrangements. The Parent Company does not have any other arrangements pursuant to which any director is compensated directly or indirectly for any service provided as a director.

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

A. All employees of the Parent Company, including officers, sign a standard engagement contract which states their compensation, benefits and privileges. Under the Parent Company's By-Laws, officers and employees may receive not more than Two and Three Fourths (2 ¾ %) Percent of the Parent Company's annual profits or net earnings as may be determined by the Chairman of the Board and the President. The Parent Company maintains a qualified, non-contributory pension plan covering substantially all employees.

B. FPH does not have any compensatory plan or arrangement resulting from the resignation, retirement, or any other termination of an executive officer's employment with FPH or its subsidiaries or from a change in control of the Parent Company or a change in an executive officer's responsibilities following a change-in-control except for such rights as may have already vested under the Parent Company's Retirement Plan or as may be provided for under its standard benefits.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The outstanding equity securities of the Parent Company consist of common shares.

FPH Security Owners of Certain Record and Beneficial Owners of more than 5%
As of March 31, 2025

Security Ownership of Certain Record and Beneficial Owner/s of more than 5%

Title of Class	*Name and Address of Record Owner and Relationship with Issuer*	*Name of Beneficial Owner & Relationship with Record Owner*	*Citizenship*	*No. of Shares Held*	*Percent to Total Issued and Outstanding*
Common	Lopez Holdings Corporation (LHC) 16th Floor, North Tower, Rockwell Business Center Sheridan, Sheridan Corner United Streets, Highway Hills, Mandaluyong LHC is the parent of the Corporation.	Lopez Holdings Corporation	Filipino	257,532,061	55.66%
Common	PCD Nominee Corporation 29th Floor BDO Equitable Tower 8751 Paseo de Roxas Makati City 1226	Various	Filipino Non-Filipino	121,552,971 14,318,281	26.27% 3.09%
Common	Citibank N.A 34th Street Bonifacio Global City Taguig City 1634	Various	Filipino	24,180,913	5.23%

Apart from the foregoing, there are no other persons holding more than 5% of FPH's outstanding capital stock.

Security Ownership of Management as of March 31, 2025

To the best of the knowledge of FPH, the following are the shareholdings of the directors and officers:

			Number of Shares			
Class	**Nationality**	**Name of Beneficial Owner**	**Direct**	**Indirect**	**Total**	**Percentage**
Common	Filipino	Federico R. Lopez	5,093,316	2,220	5,095,536	1.10%
Common	Filipino	Benjamin Ernesto R. Lopez	949,113	60,724	1,009,837	0.22%
Common	Filipino	Miguel Ernesto L. Lopez	3,480	-	3,480	0.00%
Common	Filipino	Francis Giles B. Puno	2,697,012	333,500	3,030,512	0.65%
Common	Filipino	Diana P. Aguilar	1	-	1	0.00%
Common	Filipino	Rizalina G. Mantaring	10	-	10	0.00%
Common	Filipino	Richard B. Tantoco	1	423,949	423,950	0.09%
Common	Filipino	Stephen T. CuUnjieng	-	1	1	0.00%
Common	Filipino	Emmanuel Antonio P. Singson	-	1	1	0.00%
Common	Filipino	Mercedes Lopez-Vargas	637,114	51,424	688,538	0.15%

			Number of Shares			
Class	**Nationality**	**Name of Beneficial Owner**	**Direct**	**Indirect**	**Total**	**Percentage**
Common	Filipino	Roberta L. Feliciano	-	1	1	0.00%
Common	Filipino	David O. Chua	5,000	5,000	10,000	0.00%
Common	Filipino	Jaime I. Ayala	-	1	1	0.00%
Common	Filipino	Francisco E. Lim	-	22,000	22,000	0.00%
Common	Filipino	Cirilo P. Noel	-	1	1	0.00%
Common	Filipino	Victor Emmanuel B. Santos, Jr.	-	-	-	0.00%
Common	Filipino	Martin K. Yupangco	-	-	-	0.00%
Common	Filipino	Anthony M. Mabasa	368,173	-	368,173	0.08%
Common	Filipino	Renato A. Castillo	-	-	-	0.00%
Common	Filipino	Anna Karina P. Gerochi	-	63,682	63,682	0.01%
Common	Filipino	Anthony L. Fernandez	243,378	17,815	261,193	0.06%
Common	Filipino	Emelita D. Sabella	227,344	100,000	327,344	0.07%
Common	Filipino	Jonathan Francis C. Tansengco	-	-	-	0.00%
Common	Filipino	Ramon A. Carandang	-	-	-	0.00%
Common	Filipino	Maria Carmina Z. Ubana	-	-	-	0.00%
Common	Filipino	Angelo G. Macabuhay	-	1	1	0.00%
Common	Filipino	Shirley H. Cruz	5,000	-	5,000	0.00%
Common	Filipino	Jose Valentin A. Pantangco	-	-	-	0.00%
Common	Filipino	Alexander M. Roque	183,278	-	183,278	0.04%
Common	Filipino	Enrique I. Quiason	118	-	118	0.00%
Common	Filipino	Rachel R. Hernandez	-	-	-	0.00%
Common	Filipino	Milagros D. Fadri	67,447	121,488	188,935	0.04%
Common	Filipino	Agnes C. de Jesus	3,800	-	3,800	0.00%
Common	Filipino	Karen Y. Chung	-	-	-	0.00%
Common	Filipino	Rene J. Mayol	247,630	-	247,630	0.05%
Common	Filipino	Ernie G. Imperial	-	-	-	0.00%
Common	Filipino	Janinna Cynthia P. Mendoza	-	-	-	0.00%
Common	Filipino	Lianne M. Bacorro	-	20	20	0.00%
		Sub-Total	**10,731,215**	**1,201,828**	**11,933,043**	**2.58%**
Common	Filipino	Lopez Holdings Corporation	257,532,061	-	257,532,061	55.66%
Common	Various	Other Stockholders			193,248,687	41.76%
		Total			**462,713,791**	**100.00%**

There has been no change of control of the Corporation since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Parent Company, including holding companies, and fellow subsidiaries are related entities of the Parent Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Parent Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant transactions with associates and other related parties at market prices in the normal course of business, and the related outstanding balances are disclosed below and in the notes to consolidated financial statements.

The following are the significant transactions with related parties:

a. Amounts due to related parties represent noninterest-bearing U.S. dollar and Philippine peso-denominated emergency loans to meet working capital and investment requirements of certain entities in the Lopez Group.

b. In December 2020, the Parent Company announced a tender offer ("Tender Offer") to acquire a minimum of 908,459,782 issued and outstanding common stocks of Lopez Holdings representing approximately 20% of its total issued and outstanding common stocks and up to a maximum of 1,430,824,156 issued and outstanding common stocks representing approximately 31.5% of its total issued and outstanding common stocks, from all the shareholders of Lopez Holdings. The Tender Offer Period ran from January 22, 2021 until March 8, 2021, and with an offer price of ₱3.85 per common share. Following the close of the Tender Offer Period, a total of 712,206,016 common stocks of Lopez Holdings representing 15.68% of its total issued and outstanding common stocks were tendered, accepted and thereafter purchased by the Parent Company for a total transaction value of ₱2,742 million.

c. The Parent Company and most of its subsidiaries lease office spaces from Rockwell-Meralco BPO Venture, a joint venture of Rockwell Land, a subsidiary of FPH.

d. The Parent Company has agreements with some of its subsidiaries for managing and operating the latter's support functions.

e. First Balfour has contracts for various works such as civil, structural and mechanical/piping works within the Group. EDC also engaged the services of Thermaprime for the drilling services such as, but not limited to, rig operations, rig maintenance, lease of rig, well design and engineering. In 2024, EDC also agreed to lend a loan to Thermaprime. FGEN LNG executed a contract with Batangas Bay Towage, Inc. for the charter of the four (4) tugs vessels.

f. In 2022 and 2023, Rockwell Land purchased parcels of land from ABS-CBN Corp. intended for future land development.

g. First Industrial Science and Technology College, Inc. leases campus spaces from FPIP Property Developers and Management Corporation, a subsidiary of First Philippine Industrial Park.

h. Asian Eye Institute and The MSA (Philippines) have agreements and contracts with Pi Health Manufacturing for the supply of optical products and machineries.

i. EDC entered into various loan agreements with IFC, one of its shareholders.

j. In 2023, FGen SG executed a Master Ex-ship LNG Sale and Purchase Agreement ("MSPA") each with FGPC, FGP, FNPC and PMPC for prospective LNG transactions during the term of the MSPA.

k. Intercompany Guarantees

<u>*First Gen*</u>
During the February 26, 2014 meeting, the board of directors of First Gen approved the confirmation, ratification and approval of the authority of First Gen, pursuant to Clause (i) of the Second Article of First Gen's Amended Articles of Incorporation, to act as a guarantor or co-obligor or assume any obligation of any person, corporation or entity in which First Gen may have an interest, directly or indirectly, including but not limited to FNPC, under such terms and conditions as First Gen's duly authorized representatives may deem necessary, proper or convenient in the best interest of First Gen and its relevant subsidiary. On May 12, 2014, the stockholders of First Gen ratified and confirmed such authority.

On July 10, 2014, First Gen signed a Guarantee and Indemnity Agreement with KfW, guaranteeing FNPC's punctual performance on all its payment obligations under the Export Credit Facility loan agreement.

On July 9, 2021, First Gen signed a Guarantee Agreement with MUFG Bank Ltd. (MUFG) as a guarantor to the General Credit Agreement (the "MUFG Agreement") signed by FGEN LNG and MUFG last July 7, 2021. Under the MUFG Agreement, MUFG is giving credit or affording bank facilities of up to $40.0 million to FGEN LNG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGEN LNG to pay MUFG all sums of money which are or at any time during the term of the guarantee be owing to MUFG by FGEN LNG pursuant to the MUFG Agreement.

On July 28, 2023, First Gen signed a Guarantee Agreement with ING as a guarantor to the Reimbursement Agreement (the "ING Agreement") signed by FGen SG and ING on the same date. Under the ING Agreement, as amended on September 26, 2023, ING agrees to issue SBLC/s as may be required from time to time of up to $75.0 million to FGen SG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGen SG to pay ING all sums of money which are or at any time during the term of the guarantee be owing to ING by FGen SG pursuant to the ING Agreement.

On May 29, 2024, First Gen signed a Guarantee Agreement with ING as a guarantor pursuant to the Accession Agreement to the ING Agreement (the "ING Accession Agreement") signed by FGEN LNG and ING on the same date. Under the ING Accession Agreement, ING agrees to issue SBLC/s as may be required from time to time of up to $75.0 million to FGEN LNG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGEN LNG to pay

ING all sums of money which are or at any time during the term of the guarantee be owing to ING by FGEN LNG pursuant to the ING Accession Agreement.

EDC
EDC issued letters of credit amounting to $80.0 million in favor of its subsidiary, EDC Chile Limitada, as evidence of its financial support for EDC Chile Limitada's participation in the bids for geothermal concession areas by the Chilean Government.

EDC also issued letters of credit in favor of its subsidiaries in Peru, namely, EDC Peru S.A.C. and EDC Energia Verde Peru S.A.C. at $0.27 million each as evidence of EDC's financial support for the geothermal authorizations related to the exploration drilling activities of the said entities which expired on March 1, 2024 and February 21, 2024, respectively. On May 25, 2023, the board and stockholders of EDC Peru S.A.C. decided to no longer pursue exploration and development activities in Peru due to political and market factors.

Under the bilateral corporate term loan agreements executed in December 2024 by EBWPC with BDO and Mizuho, any debt service shortfall amount under these loans is guaranteed by EDC.

Terms and Conditions of Transactions with Related Parties

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. For the years ended December 31, 2024, 2023 and 2022, the Group has not recorded any material impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each year through the examination of the financial position of the related parties and the market in which the related parties operate.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance. *Pursuant to SEC Memorandum Circular No. 15 (Series of 2017), all publicly-listed companies are required to submit to the SEC an Integrated Annual Corporate Governance Report (I-ACGR) on May 30 of the following year for each year that the company remains listed with the PSE.*

BOARD ATTENDANCE

The record of attendance of the Directors in the Board and stockholders' meetings for the calendar year 2024 is as follows:

DIRECTORS	Feb 1	Apr 4	Apr 19	May 2	May 31 ASM	May 31 OBM	Jul 4	Aug 8	Sept 12	Oct 18	Nov. 7	Dec. 5
F.R. Lopez	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
S.T. CuUnjieng	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
M.E.L. Lopez	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
R.G. Mantaring	✔	✔	✔	✔	✔	✔	✔	X	✔	✔	✔	✔
F.G.B. Puno	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
A.B. Quitain[1]	✔	✔	-	-	-	-	-	-	-	-	-	-
S.R. Agdeppa[2]	-	-	-	-	-	✔	✔	✔	✔	✔	✔	✔
R.B. Tantoco	✔	X	✔	✔	X	X	✔	✔	✔	✔	✔	✔
J.I. Ayala	✔	X	X	✔	✔	✔	✔	✔	X	✔	✔	✔
D.O. Chua	X	✔	X	X	✔	✔	✔	✔	✔	✔	✔	✔
R.L. Feliciano	✔	✔	✔	✔	✔	✔	✔	X	✔	✔	X	✔
F.E. Lim	X	✔	✔	✔	✔	✔	X	✔	✔	✔	✔	✔
M. Lopez-Vargas	✔	✔	X	X	✔	✔	✔	X	✔	✔	✔	✔
C.P. Noel	✔	✔	✔	X	✔	✔	✔	✔	✔	✔	✔	X
E.P. Singson	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
B. R. Lopez	✔	✔	✔	✔	X	X	✔	✔	✔	✔	✔	✔

Legend: √ -Present
X –Absent

ASM - Annual Stockholders Meeting
OBM – Organizational Meeting of the Board

[1] Resigned on April 19, 2024 due to the end of her tenure as a member of the Social Security Commission, the governing board of the SSS, of which she was its director-nominee.
[2] Resigned on January 13, 2025 in view of his retirement from the Social Security System (SSS), of which he was its director-nominee.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) **Exhibits**

The following exhibits are filed as a separate section of this report:

Exhibit "A" - Audited Consolidated and Parent Company Financial Statements
Exhibit "B" - Revised SRC Rule 68 (Schedules)
Exhibit "C" - Report of Audit Committee for 2024

(b) **Reports on SEC Form 17-C**

The corporation disclosed the following matters on the dates indicated:

April 4, 2024	At its meeting held earlier today, the board of directors of First Philippine Holdings Corporation approved the following material matters: Audited Parent and Consolidated Financial Statements as of and for the year ended 2023 For the year ended December 31, 2023, the consolidated net income attributable to First Philippine Holdings Corporation (FPH) grew by ₱2.4 billion or 19%, from ₱12.7 billion in 2022 to ₱15.1 billion, driven by the stronger operating results of the FPH Group's power generation and real estate segments. The corresponding Recurring Net Income (RNI) attributable to FPH likewise increased by ₱1.0 billion or 8%, from ₱12.8 billion to ₱13.8 billion, reflecting the growth in attributable net income, adjusted for the one-off gains and losses that mostly pertain to proceeds from construction delays and insurance claims, and foreign exchange-related movements. FPH Group's total revenues declined by ₱5.4 billion or 3%, from ₱170.3 billion in 2022 to ₱164.9 billion in 2023. The slight downturn was mainly caused by the lower pass-through fuel revenues of the First Gen group, tempered by the: (1) improved sales bookings and construction completion of residential development projects under Rockwell Land;, (2) upswing of revenues from the industrial leasing and water utilities businesses of First Philippine Industrial Park and commercial leasing segment of Rockwell Land; and (3) stable earnings from distribution transformers sold and higher sales from the New Business products of First Philec. Details of the 2024 Annual Stockholders' Meeting: Time and Date: 2:30pm on Friday, May 31, 2024 Venue: The Fifth East at Rockwell 5th Floor Power Plant Mall Rockwell, Makati City Record Date: April 23, 2024
April 19, 2024	Please be advised that Director Anita Bumpus Quitain has tendered her resignation from the Board of Directors of First Philippine Holdings Corporation due to the end of her tenure as Member of the Social Security Commission, the governing board of the Social Security System.
April 19, 2024	At its meeting held earlier today, the board of directors of First Philippine Holdings Corporation approved the following material matters: Election of Mr. Santiago Dionisio R. Agdeppa as director to fill the vacancy created by the resignation of Commissioner Anita B. Quitain;

Mr. Agdeppa is a Certified Public Accountant (CPA) – Lawyer. He is also a Career Service Executive Eligible. After passing the CPA Board Examination, he worked briefly from 1984 to 1985 as an accounting staff in the private sector. From 1985 to 1990, he worked in the Commission on audit with last position held as State Auditor II. He transferred to SSS Legal Department in 1990. In 2005, he became the Assistant Vice President of Cluster Legal Support (renamed as Operations Legal Department). He was also the Officer-in-Charge of the NCR Central Cluster Legal Unit from 2005-2010 and Legal Adviser and Legal Counsel, SSS Provident Fund (2003 to 2010). He was promoted as Senior Vice President in November 2014.

He was a non-voting member of the SSC Board Audit Committee (from 2010 to 2014) and was a member of various SSS Management Committees. He attended official seminars such as the Training Program on Pension Schemes (Italy), Management Course (US), Data Security (US), Compliance and Ethics (US) and various seminars on legal education as well as training courses by the Institute of Corporate Directors.

He finished his Bachelor of Laws at San Beda College in 1989; BSC-Accounting from San Sebastian College in 1983; and completed his Master in Business Management at Pamantasan ng Lungsod ng Maynila in 1997 and Middle Management Course at Ateneo Graduate School of Business in 2014.

Nomination of the following for election by the stockholders during the 2024 ASM:

For Regular Directors
1. Mr. David O. Chua
2. Ms. Roberta L. Feliciano
3. Ms. Mercedes Lopez-Vargas
4. Mr. Miguel Ernesto L. Lopez
5. Mr. Federico R. Lopez
6. Mr. Francis Giles B. Puno
7. Mr. Emmanuel Antonio P. Singson
8. Mr. Richard B. Tantoco
9. Mr. Benjamin R. Lopez
10. Mr. Santiago Dionisio R. Agdeppa

For Independent Directors
1. Ms. Rizalina G. Mantaring
2. Mr. Jaime I. Ayala
3. Mr. Stephen T. CuUnjieng
4. Mr. Francisco Ed. Lim
5. Mr. Cirilo P. Noel

May 2, 2024

The Board of Directors approved the declaration of cash dividends on common shares in the amount of ₱1.10 per common share with a record date of May 23, 2024 and payable on June 17, 2024.

May 31, 2024	A. At the Annual Stockholders' Meeting of First Philippine Holdings Corporation held today, May 31, 2024, the stockholders approved the following matters:

1. The election of the following as members of the Board of Directors for the period 2024-2025:

   1. Mr. David O. Chua
   2. Ms. Roberta L. Feliciano
   3. Mr. Miguel Ernesto L. Lopez
   4. Mr. Benjamin R. Lopez
   5. Mr. Federico R. Lopez
   6. Ms. Mercedes Lopez-Vargas
   7. Mr. Francis Giles B. Puno
   8. Mr. Santiago Dionisio R. Agdeppa
   9. Mr. Emmanuel Antonio P. Singson
   10. Mr. Richard B. Tantoco
   11. Mr. Jaime I. Ayala*
   12. Mr. Stephen T. CuUnjieng*
   13. Mr. Francisco Ed. Lim*
   14. Ms. Rizalina G. Mantaring*
   15. Mr. Cirilo P. Noel*

   * Independent Director

2. The approval/ratification of the Audited Consolidated Financial Statements for the years ended December 31, 2023 and 2022; and
3. The re-appointment of Sycip, Gorres, Velayo & Co. as External Auditors for the period 2024-2025.
4. Approval of the Minutes of the Annual Stockholders' Meeting held last May 29, 2023.

B. At the Organizational Meeting of the Board of Directors held immediately after the annual meeting of stockholders, the directors approved the following material matters:

1. The appointment of the following officers, board committee members, advisers, and Lead Independent Director:

Mr. Federico R. Lopez	Chairman & Chief Executive Officer
Mr. Benjamin R. Lopez	Vice Chairman & Senior Vice President
Mr. Francis Giles B. Puno	President & Chief Operating Officer
Mr. Emmanuel Antonio P. Singson	EVP, Treasurer & Chief Finance Officer
Mr. Victor Emmanuel B. Santos, Jr.	Executive Vice President
Mr. Anthony M. Mabasa	Senior Vice President
Mr. Joaquin E. Quintos IV	Senior Vice President
Mr. Renato A. Castillo	Senior Vice President & Chief Risk Officer
Mr. Anthony L. Fernandez	Senior Vice President
Mr. Jose Valentin A. Pantangco, Jr.	SVP & Head, Corporate Planning
Ms. Anna Karina P. Gerochi	Vice President
Ms. Emelita D. Sabella	Vice President
Mr. Jonathan C. Tansengco	Vice President
Mr. Ramon A. Carandang	Vice President
Ms. Shirley H. Cruz	VP & Chief of Staff, Office of the Chairman
Ms. Maria Carmina Z. Ubaña	Vice President & Controller
Mr. Alexander M. Roque	Vice President

Mr. Denardo M. Cuayo	Vice President
Ms. Rachel R. Hernandez	VP, Asst. Corporate Secretary & Compliance Officer
Ms. Milagros D. Fadri	Vice President
Ms. Agnes C. De Jesus	VP & Chief Sustainability Officer
Mr. Rene J. Mayol	Vice President
Mr. Ernie G. Imperial	VP & Chief Digital Officer
Ms. Karen Y. Chung	VP & Investor Relations Officer
Ms. Janinna Cynthia P. Mendoza	VP for Strategic Brand Management
Mr. Angelo G. Macabuhay	VP & Head, Internal Audit
Mr. Enrique I. Quiason	Corporate Secretary
Ms. Lianne M. Bacorro	Assistant Compliance Officer
Mr. Jonathan C. Russell	Senior Board Adviser
Mr. Mario L. Bautista	Senior Board Adviser
Mr. Walter C. Wassmer	Senior Board Adviser

LEAD INDEPENDENT DIRECTOR – Ms. Rizalina G. Mantaring

Executive Committee:

Chairman:	Mr. Federico R. Lopez
Vice Chairman:	Mr. Francis Giles B. Puno
Members:	Mr. Miguel Ernesto L. Lopez
	Mr. Emmanuel Antonio P. Singson
	Mr. Victor Emmanuel B. Santos, Jr.
	Mr. Jose Valentin A. Pantangco, Jr.

Audit Committee:

Chairman:	Ms. Rizalina G. Mantaring
Members:	Mr. Cirilo P. Noel
	Mr. Stephen T. CuUnjieng
	Mr. Jaime I. Ayala
	Mr. Francisco Ed. Lim
	Mr. Miguel Ernesto L. Lopez
	Ms. Mercedes Lopez-Vargas

Related Party Transactions Committee:

Chairman:	Mr. Stephen T. CuUnjieng
Members:	Mr. Cirilo P. Noel
	Ms. Rizalina G. Mantaring
	Mr. Richard B. Tantoco
	Mr. Emmanuel Antonio P. Singson

Compensation and Remuneration Committee:

Chairman:	Mr. Stephen T. CuUnjieng
Members:	Ms. Rizalina G. Mantaring
	Mr. Federico R. Lopez
	Mr. Francis Giles B. Puno

Corporate Governance Committee:

Chairman:	Mr. Jaime I. Ayala
Vice Chairman:	Mr. Federico R. Lopez
Members:	Mr. Stephen T. CuUnjieng
	Mr. Benjamin R. Lopez
	Mr. Francisco Ed. Lim
	Mr. Francis Giles B. Puno
	Mr. Richard B. Tantoco

Finance & Investment Committee:

Chairman:	Mr. Federico R. Lopez
Vice Chairman:	Mr. Francis Giles B. Puno
Members:	Mr. Miguel Ernesto L. Lopez
	Mr. Richard B. Tantoco
	Mr. Emmanuel Antonio P. Singson

Board Risk Oversight Committee:

Chairman:	Mr. Cirilo P. Noel
Members:	Mr. Jaime I. Ayala
	Mr. Francisco Ed. Lim
	Mr. David O. Chua
	Ms. Roberta L. Feliciano
	Ms. Rizalina G. Mantaring

2. A further 2-year extension of the Corporation's common share buyback program from July 11, 2024 to July 10, 2026, and an additional allotment of Php3.6 Billion.

July 15, 2024

Please be advised that First Philippine Holdings Corporation was advised by its subsidiary, First Philippine Realty Corp. ("FPRC"), that it received a final order on July 15, 2024 in relation to a regulatory assessment by the Laguna Lake Development Authority ("LLDA") which imposed a penalty in the amount of ₱310,000.00. The LLDA ordered payment of this penalty as a condition sine qua non to the dismissal of the matter, considering that FPRC had successfully cleared the resamplings conducted by the LLDA in December 2019, September 2023 and February 2024. FPRC has implemented improvements in its systems and processes to ensure that similar incidents are not repeated.

July 25, 2024

Please be advised that we were informed today of the resignation of Mr. Walter C. Wassmer as Senior Board Adviser of First Philippine Holdings Corporation, in view of his appointment to the Monetary Board.

August 16, 2024

First Philippine Holdings Corporation ("FPH") made the following share buyback transactions on August 16, 2024:

Number of shares	*Price per share (PhP)*	*Outstanding shares after transaction*	*Treasury shares after transaction*
372,300	62.00	463,213,791	146,435,848

October 28, 2024

First Philippine Holdings Corporation ("FPH") made the following share buyback transactions on October 28, 2024:

Number of shares	*Price per share (PhP)*	*Outstanding shares after transaction*	*Treasury shares after transaction*
500,000	61.00	462,713,791	146,935,848

November 1, 2024

Please be advised of the retirement of Vice President Denardo M. Cuayo effective November 1, 2024.

November 7, 2024

The Board of Directors approved the declaration of cash dividends on common shares in the amount of ₱1.10 per common share with a record date of November 25, 2024 and payable on December 18, 2024.

December 31, 2024

Please be advised of the retirement of Senior Vice President Joaquin E. Quintos IV effective December 31, 2024.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig this 08 APR 2025 day of April 2025.

FIRST PHILIPPINE HOLDINGS CORPORATION
Issuer

By:

FEDERICO R. LOPEZ Chairman and Chief Executive Officer	**MARIA CARMINA Z. UBAÑA** Vice President and Controller
FRANCIS GILES B. PUNO President and Chief Operating Officer	**ENRIQUE I. QUIASON** Corporate Secretary
EMMANUEL ANTONIO P. SINGSON Executive Vice President, Treasurer and Chief Financial Officer	

SUBSCRIBED AND SWORN to before me this, 08 APR 2025 day of April 2025, affiants exhibited to me their Government Issued IDs and Community Tax Certificate (CTC) as follows:

Name	*Gov't ID #s / CTC*	*Issued on/Issued at*
Federico R. Lopez	DL#N17-80-012544 / 11152824	01-17-2025 / Pasig City
Francis Giles B. Puno	CRN-0111-2221118-7 / 11168449	02-06-2025 / Pasig City
Emmanuel Antonio P. Singson	CRN-0003-8856459-8 / 11153815	01-28-2025 / Pasig City
Enrique I. Quiason	SSS#03-8352363-1 / P9908505A	12-11-2028 / DFA NCR East
Maria Carmina Z. Ubaña	Driver's Lic. N03-04376064 / 11107549	01-03-2025 / Pasig City

REM JOSHUA T. SERRANO
NOTARY PUBLIC
FOR AND IN THE CITY OF PASIG
AND IN THE MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2025
PTR NO. 3039950; 01/03/2025; PASIG CITY
IBP NO. 511721; 01/03/2025; RIZAL (RSM)
ROLL NO. 77963/APPOINTMENT NO. 118 (2024-2025)
21/F Robinsons-Equitable Tower, 4 ADB Ave. cor. Poveda St.
1605 Ortigas Center, Pasig City

Doc. No. 434;
Page No. 88;
Book No. IV;
Series of 2025.

EXHIBIT “A”

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

and

AUDITED PARENT COMPANY FINANCIAL STATEMENTS

(ACKNOWLEDGED/STAMPED RECEIVED BY BIR)

FPH
A Lopez Group Company

6th Floor, Rockwell Business Center Tower 3,
Ortigas Avenue, Pasig City 1604 Philippines

+632 8555 8000
www.fphc.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of First Philippine Holdings Corporation (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the three 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 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 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 consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated 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.

FEDERICO R. LOPEZ	**FRANCIS GILES B. PUNO**	**EMMANUEL ANTONIO P. SINGSON**
Chairman of the Board and Chief Executive Officer	President and Chief Operating Officer	Executive Vice President, Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 08 day of APR 2025 2025, affiants exhibited to me their Competent Evidence of Identity (CEI) and Community Tax Certificate (CTC) Nos. as follows:

Name	*Details of CEI/CTC*	*Issued On/Issued At*
Federico R. Lopez	DL#N17-80-012544/11152824	01-17-2025/Pasig City
Francis Giles B. Puno	CRN-0111-2221118-7/11168449	02-06-2025/Pasig City
Emmanuel Antonio P. Singson	CRN-0003-8856459-8/11153815	01-28-2025/Pasig City

Doc. No. 198;
Page No. 41;
Book No. 14;
Series of 2025.

MINDY ROZZA A. PLANILLO
NOTARY PUBLIC
FOR AND IN THE CITY OF PASIG
AND IN THE MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2025
PTR NO. 3040434; 01/03/2025; PASIG CITY
IBP NO. 511725; 01/03/2025; RIZAL (RSM)
ROLL NO. 86988; APPOINTMENT NO. 129 (2024-2025)
... Robinsons-Equitable Tower, 4 ADB Ave. cor. Poveda St.
1605 Ortigas Center, Pasig City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						1	9	0	7	3

COMPANY NAME

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

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

6TH FLOOR, ROCKWELL BUSINESS CENTER TOWER 3, ORTIGAS AVENUE, PASIG CITY 1604 METRO MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CGFD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
FPHGroupAsstCorpSec@fphc.com	**(02) 8631-8024**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11,854	**May 31**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Carmina Z. Ubaña	**CZUbana@fphc.com**	**(02) 3449-6253**	**09173279054**

CONTACT PERSON's ADDRESS

6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig 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.*

SGV
Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
First Philippine Holdings Corporation
6th Floor, Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City

Opinion

We have audited the consolidated financial statements of First Philippine Holdings Corporation and its subsidiaries (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 of the Group as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of 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.

Recoverability of goodwill associated with the acquisition of Energy Development Corporation (EDC)

Under PFRS Accounting Standards, the Group is required to annually test the recoverability of goodwill. As at December 31, 2024, the Group has goodwill amounting to ₱48,483 million, of which ₱45,218 million resulted from its acquisition of EDC in 2007. This annual recoverability test of goodwill is significant to our audit because the amount of goodwill is material to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty on the estimation process, specifically, the budgeted gross margin, growth rate and discount rate.

The related disclosures on the Group's goodwill are included in Notes 3 and 14 to the consolidated financial statements.

Audit Response
We involved our internal specialist in evaluating the assumptions and methodology used. These assumptions include budgeted gross margin, growth rate and discount rate. We compared the forecasted cash flow assumptions used in the recoverability testing, such as budgeted gross margin, against the historical performance of EDC. We also compared against historical information the estimated volume and price of electricity to be sold to contracted customers and to the spot market. In addition, we compared the long-term growth rate used with those reflected in published economic forecasts, as well as relevant industry outlook. Likewise, we evaluated the discount rate used and assessed whether this is consistent with market participant assumptions for similar assets. We also reviewed the Group's disclosures about those assumptions to which the outcome of the recoverability test is most sensitive, specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Accounting for the Acquisition of Casecnan Hydro Electric Power Plant (CHEPP)

As disclosed in Note 5 to the consolidated financial statements, on February 25, 2024, Fresh River Lakes Corporation (FRLC), a wholly owned subsidiary of First Gen Corporation, signed and executed a Deed of Absolute Sale with Power Sector Assets and Liabilities Management Corporation and National Irrigation Administration for the acquisition of the 165MW CHEPP in Pantabangan, Nueva Ecija for a total consideration of ₱29,403 million.

This acquisition was accounted for using the acquisition method under PFRS 3, *Business Combination,* where the Group performed a purchase price allocation (PPA) as disclosed in Note 5 to the consolidated financial statements.

We consider the accounting for this acquisition as a key audit matter due to the transaction's financial significance to the Group and the significant management judgment and estimation involved in the allocation of the purchase price and the determination of the fair value of the net assets acquired.

Audit Response
We reviewed and tested management's identification and fair value measurement of the acquired assets and liabilities. We reviewed the PPA prepared by management and assessed the reasonableness of the key assumptions and inputs used in determining the fair value of the net assets acquired by obtaining information through inquiry with the management and its internal and external experts. We involved our internal specialist to assist us in the review of the valuation methodology and key inputs and assumptions used by management and its external specialist in the fair valuation of the net identifiable assets acquired,

and in the review of the PPA. We also reviewed the assessment of the estimated useful lives of the assets acquired performed by management and its external specialist and compared the same against industry practice. We assessed the competence, objectivity and capabilities of the internal and external experts involved by management. We also reviewed the related disclosures in the consolidated financial statements as required under PFRS 3.

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 past history with the buyer, age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' 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 transactions price includes a significant financing component. The Group applied the modified restrospective approach 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 specialists (project engineers). This is based on the monthly project accomplishment report prepared by the project planner as reviewed by the project manager and approved by project head which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

The disclosures related to the real estate revenue are included in Notes 3 and 21 to the consolidated financial statements.

<u>Audit Response</u>
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. We traced the analysis to supporting documents such as request for cancellation form and notice of cancellation.

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 sales contract database and traced 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 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). We inspected the certified POC reports prepared by the project engineers 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 the other information. The other information comprises the SEC Form 17-A for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 Maria Veronica Andresa R. Pore.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465361, January 2, 2025, Makati City

March 27, 2025

CONTENTS

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 29 and 30)	**₱52,728**	₱65,250
Short-term investments (Notes 6, 29 and 30)	**200**	3,857
Trade and other receivables (Notes 7, 27, 29 and 30)	**36,544**	31,237
Current portion of contract assets (Note 7)	**7,102**	9,238
Inventories (Note 8)	**51,755**	42,768
Prepayments and other current assets (Note 9)	**14,736**	14,113
Other current financial assets (Notes 11, 29 and 30)	**320**	362
Total Current Assets	**163,385**	166,825
Noncurrent Assets		
Property, plant and equipment (Notes 12 and 18)	**193,357**	159,008
Goodwill and intangible assets (Note 14)	**67,620**	49,384
Investment properties (Note 13)	**23,415**	22,854
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 29 and 30)	**24,919**	21,836
Investments in associates, joint ventures and joint operations (Note 10)	**6,402**	7,560
Contract assets - net of current portion (Note 7)	**9,379**	6,111
Other noncurrent financial assets (Notes 11, 29 and 30)	**1,880**	2,210
Deferred tax assets - net (Note 25)	**2,107**	2,121
Other noncurrent assets (Note 15)	**34,474**	34,266
Total Noncurrent Assets	**363,553**	305,350
TOTAL ASSETS	**₱526,938**	₱472,175

LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 27, 29, 30 and 32)	**₱66,586**	₱63,757
Current portion of long-term debt (Notes 18, 29 and 30)	**22,795**	22,659
Loans payable (Notes 16, 29 and 30)	**3,889**	8,666
Income tax payable	**1,162**	1,013
Total Current Liabilities	**94,432**	96,095
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 18, 29 and 30)	**134,318**	100,765
Retirement and other long-term employee benefits liabilities (Note 24)	**5,109**	5,041
Deferred tax liabilities - net (Note 25)	**2,750**	3,272
Asset retirement and preservation obligations (Note 19)	**4,027**	3,798
Other noncurrent liabilities (Notes 19, 29 and 30)	**15,330**	18,310
Total Noncurrent Liabilities	**161,534**	131,186
Total Liabilities ***(Carried Forward)***	**255,966**	227,281

(Forward)

	December 31	
	2024	2023
Total Liabilities *(Brought Forward)*	**₱255,966**	₱227,281
Equity Attributable to Equity Holders of the Parent Company		
Common stock (Note 20a)	**6,096**	6,096
Capital in excess of par value (Note 20a)	**4,076**	4,076
Accumulated unrealized fair value gains on financial assets at FVOCI (Note 11)	**12,981**	10,075
Cumulative translation adjustments (Notes 20f and 30)	**(2,576)**	(3,947)
Equity reserve (Notes 5 and 20c)	**(8,459)**	(8,459)
Retained earnings (Note 20d):		
Unappropriated	**130,832**	118,121
Appropriated	**32,700**	32,700
Treasury stock (Note 20a)	**(9,947)**	(9,893)
Sub-total	**165,703**	148,769
Equity Attributable to Non-controlling Interests (Notes 5 and 20e)	**105,269**	96,125
Total Equity	**270,972**	244,894
TOTAL LIABILITIES AND EQUITY	**₱526,938**	₱472,175

See accompanying Notes to Consolidated Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Millions, Except Per Share Data)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Sale of electricity (Notes 4, 5, 21 and 31)	**₱137,630**	₱137,946	₱144,324
Real estate (Note 21)	**14,578**	11,949	11,382
Contracts and services (Note 21)	**10,005**	10,490	10,102
Sale of merchandise (Note 21)	**4,897**	4,567	4,530
	167,110	164,952	170,338
COSTS AND EXPENSES			
Costs of sale of electricity (Notes 8 and 22)	**93,945**	93,935	103,362
Real estate (Notes 8 and 22)	**9,722**	9,478	9,182
Contracts and services (Note 22)	**4,310**	5,881	5,289
Cost of sale of merchandise (Notes 8 and 22)	**3,349**	3,040	2,994
General and administrative expenses (Note 22)	**21,434**	18,840	18,206
	132,760	131,174	139,033
OTHER INCOME (CHARGES)			
Finance costs (Note 23)	**(9,391)**	(8,107)	(6,493)
Finance income (Note 23)	**2,354**	4,118	2,037
Dividend income (Notes 10, 11 and 23)	**1,029**	1,061	749
Earnings from investments in associates and joint ventures (Note 10)	**303**	356	433
Foreign exchange gains (loss) - net	**460**	(17)	93
Other income - net (Note 23)	**2,151**	3,555	2,091
	(3,094)	966	(1,090)
INCOME BEFORE INCOME TAX	**31,256**	34,744	30,215
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)			
Current	**6,347**	6,366	6,223
Deferred	**164**	(678)	118
	6,511	5,688	6,341
NET INCOME	**₱24,745**	₱29,056	₱23,874
Attributable to			
Equity holders of the Parent Company	**₱14,316**	₱15,066	₱12,676
Non-controlling interests	**10,429**	13,990	11,198
	₱24,745	₱29,056	₱23,874
Earnings per Share for Net Income Attributable to the Equity Holders of the Parent Company (Note 26)			
Basic/Diluted	**₱30.894**	₱32.215	₱26.198

See accompanying Notes to Consolidated Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Millions)

	Years Ended December 31		
	2024	2023	2022
NET INCOME	**₱24,745**	₱29,056	₱23,874
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive gains (losses) to be reclassified to profit or loss in subsequent periods:			
Exchange gains (losses) on foreign currency translation	**319**	(445)	4,116
Net gains (losses) on cash flow hedges deferred in equity - net of tax (Note 30)	**(10)**	(76)	661
	309	(521)	4,777
Other comprehensive gains (losses) not to be reclassified to profit or loss in subsequent periods:			
Unrealized fair value gains on financial assets at FVOCI (Note 11)	**2,927**	5,441	126
Remeasurement gains (losses) of retirement and other post-employment benefits - net of tax (Note 24)	**(49)**	(2,759)	253
	2,878	2,682	379
TOTAL COMPREHENSIVE INCOME	**₱27,932**	₱31,217	₱29,030
Attributable to			
Equity holders of the Parent Company	**₱18,554**	₱17,584	₱18,146
Non-controlling interests	**9,378**	13,633	10,884
	₱27,932	₱31,217	₱29,030

See accompanying Notes to Consolidated Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(Amounts in Millions)

	Equity Attributable to Equity Holders of the Parent Company										
	Common Stock (Note 20a)	**Capital in Excess of Par Value** (Note 20a)	**Treasury Stock** (Note 20a)	**Accumulated Unrealized Fair Value Gains on Financial Assets at FVOCI** (Note 11)	**Cumulative Translation Adjustments** (Notes 20f and 30)	**Equity Reserve** (Notes 5 and 20c)	**Unappropriated Retained Earnings** (Notes 20a and b)	**Appropriated Retained Earnings** (Note 20d)	**Subtotal**	**Equity Attributable to Non- controlling Interests** (Notes 5 and 20e)	**Total Equity**
Balances at January 1, 2024, as previously reported	**₱6,096**	**₱4,076**	**(₱9,893)**	**₱10,075**	**(₱3,947)**	**(₱8,459)**	**₱118,121**	**₱32,700**	**₱148,769**	**₱96,125**	**₱244,894**
Adoption of PFRS 15 - Significant Financing Component (Note 2)	–	–	–	–	–	–	**(547)**	–	**(547)**	**(85)**	**(632)**
Balances at January 1, 2024, as restated	**6,096**	**4,076**	**(9,893)**	**10,075**	**(3,947)**	**(8,459)**	**117,574**	**32,700**	**148,222**	**96,040**	**244,262**
Net income	–	–	–	–	–	–	**14,316**	–	**14,316**	**10,429**	**24,745**
Other comprehensive income (loss)	–	–	–	**2,906**	**1,371**	–	**(39)**	–	**4,238**	**(1,051)**	**3,187**
Total comprehensive income	–	–	–	**2,906**	**1,371**	–	**14,277**	–	**18,554**	**9,378**	**27,932**
Purchase of treasury stock	–	–	**(54)**	–	–	–	–	–	**(54)**	**(453)**	**(507)**
Deposit for future stock subscription (Notes 19 and 20)	–	–	–	–	–	–	–	–	–	**3,719**	**3,719**
Acquisition of a subsidiary (Note 20)	–	–	–	–	–	–	–	–	–	**1,259**	**1,259**
Cash dividends (Note 20)	–	–	–	–	–	–	**(1,019)**	–	**(1,019)**	**(4,674)**	**(5,693)**
Subtotal	–	–	**(54)**	–	–	–	**(1,019)**	–	**(1,073)**	**(149)**	**(1,222)**
Balances at December 31, 2024	**₱6,096**	**₱4,076**	**(₱9,947)**	**₱12,981**	**(₱2,576)**	**(₱8,459)**	**₱130,832**	**₱32,700**	**₱165,703**	**₱105,269**	**₱270,972**

	Equity Attributable to Equity Holders of the Parent Company										
	Common Stock (Note 20a)	Capital in Excess of Par Value (Note 20a)	Treasury Stock (Note 20a)	Accumulated Unrealized Fair Value Gains on Financial Assets at FVOCI (Note 11)	Cumulative Translation Adjustments (Notes 20f and 30)	Equity Reserve (Notes 5 and 20c)	Unappropriated Retained Earnings (Notes 20a and b)	Appropriated Retained Earnings (Note 20d)	Subtotal	Equity Attributable to Non- controlling Interests (Notes 5 and 20e)	Total Equity
Balances at January 1, 2023	₱6,096	₱4,076	(₱9,348)	₱4,659	(₱3,487)	(₱8,459)	₱110,519	₱28,700	₱132,756	₱84,714	₱217,470
Net income	–	–	–	–	–	–	15,066	–	15,066	13,990	29,056
Other comprehensive income (loss)	–	–	–	5,416	(460)	–	(2,438)	–	2,518	(357)	2,161
Total comprehensive income (loss)	–	–	–	5,416	(460)	–	12,628	–	17,584	13,633	31,217
Purchase of treasury stock	–	–	(545)	–	–	–	–	–	(545)	(585)	(1,130)
Incorporation of a subsidiary (Note 20)	–	–	–	–	–	–	–	–	–	2,729	2,729
Appropriation during the year (Note 20)	–	–	–	–	–	–	(4,000)	4,000	–	–	–
Cash dividends (Note 20)	–	–	–	–	–	–	(1,026)	–	(1,026)	(4,366)	(5,392)
Subtotal	–	–	(545)	–	–	–	(5,026)	4,000	(1,571)	(2,222)	(3,793)
Balances at December 31, 2023	₱6,096	₱4,076	(₱9,893)	₱10,075	(₱3,947)	(₱8,459)	₱118,121	₱32,700	₱148,769	₱96,125	₱244,894

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(Amounts in Millions)

	Equity Attributable to Equity Holders of the Parent Company										
	Common Stock (Note 20a)	Capital in Excess of Par Value (Note 20a)	Treasury Stock (Note 20a)	Accumulated Unrealized Fair Value Gains on Financial Assets at FVOCI (Note 11)	Cumulative Translation Adjustments (Notes 20f and 30)	Equity Reserve (Notes 5 and 20c)	Unappropriated Retained Earnings (Notes 20a and b)	Appropriated Retained Earnings (Note 20d)	Subtotal	Equity Attributable to Non- controlling Interests (Notes 5 and 20e)	Total Equity
Balances at January 1, 2022	₱6,096	₱4,076	(₱8,456)	₱4,506	(₱8,699)	(₱8,459)	₱98,797	₱28,700	₱116,561	₱83,648	₱200,209
Net income	–	–	–	–	–	–	12,676	–	12,676	11,198	23,874
Other comprehensive income (loss)	–	–	–	153	5,212	–	105	–	5,470	(314)	5,156
Total comprehensive income	–	–	–	153	5,212	–	12,781	–	18,146	10,884	29,030
Purchase of treasury stock	–	–	(892)	–	–	–	–	–	(892)	(5,695)	(6,587)
Accumulated unrealized gain on financial assets at FVOCI to retained earnings	–	–	–	–	–	–	1	–	1	5	6
Cash dividends (Note 20)	–	–	–	–	–	–	(1,060)	–	(1,060)	(4,128)	(5,188)
Subtotal	–	–	(892)	–	–	–	(1,059)	–	(1,951)	(9,818)	(11,769)
Balances at December 31, 2022	₱6,096	₱4,076	(₱9,348)	₱4,659	(₱3,487)	(₱8,459)	₱110,519	₱28,700	₱132,756	₱84,714	₱217,470

See accompanying Notes to Consolidated Financial Statements

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱31,256**	₱34,744	₱30,215
Adjustments for:			
Depreciation and amortization (Note 23)	**18,001**	14,481	13,612
Finance costs (Note 23)	**9,391**	8,107	6,493
Finance income (Note 23)	**(2,354)**	(4,118)	(2,037)
Retirement and other benefit expense (Note 24)	**920**	953	973
Dividend income (Notes 10 and 11)	**(1,029)**	(1,061)	(749)
Unrealized foreign exchange gains - net	**(436)**	(27)	(465)
Contributions to the retirement fund (Note 24)	**(896)**	(3,553)	(462)
Provision for impairment (Notes 7, 8, 14 and 15)	**967**	141	441
Earnings from investments in associates and joint ventures (Note 10)	**(303)**	(374)	(433)
Loss (gain) on sale of property, plant and equipment (Note 23)	**329**	(52)	(58)
Mark-to-market loss (gain) on derivatives and financial assets at FVPL (Notes 18 and 23)	**(246)**	46	–
Operating income before working capital changes	**55,600**	49,287	47,530
Decrease (increase) in:			
Trade and other receivables	**(5,488)**	10	(4,808)
Inventories	**(8,910)**	(7,977)	(3,905)
Contract assets	**(1,132)**	1,651	(3,628)
Other current assets	**(623)**	(3,183)	(1,436)
Increase in trade payables and other current liabilities	**4,763**	15,849	5,158
Net cash generated from operations	**44,210**	55,637	38,911
Income taxes paid	**(6,554)**	(6,398)	(6,151)
Interest received	**2,354**	4,118	2,037
Net cash flows from operating activities	**40,010**	53,357	34,797
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Notes 5 and 12)	**(44,553)**	(24,167)	(15,768)
Goodwill and intangible assets (Notes 5 and 14)	**(18,708)**	(249)	(53)
Investment properties (Note 13)	**(1,876)**	(983)	(1,668)
Evaluation and exploration assets (Note 15)	**(493)**	(116)	(72)
Investment in associates and joint ventures (Note 10)	**(19)**	(48)	(266)
Decrease (increase) in:			
Short-term investments	**3,657**	(3,285)	1,438
Investment in equity and debt securities	**(346)**	1,711	4,327
Other noncurrent assets	**(1,266)**	(29,261)	(181)
Dividends received from:			
Financial assets at FVOCI (Notes 11 and 23)	**1,029**	1,061	749
Investments in associates and joint ventures (Note 10)	**433**	416	490
Return of investment in joint venture (Note 10)	**236**	214	53
Proceeds from sale of property, plant and equipment (Note 12)	**392**	210	77
Net cash used in investing activities	**(61,514)**	(54,497)	(10,874)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES (Note 29)			
Payments of:			
Long-term debt (Note 18)	**(₱31,077)**	(₱24,675)	(₱29,977)
Interest	**(7,816)**	(6,096)	(5,756)
Loans payable (Note 16)	**(11,255)**	(3,374)	(3,462)
Lease liabilities (Note 19)	**(2,618)**	(712)	(354)
Proceeds from availment of:			
Long-term debt - net of debt issuance costs (Note 18)	**61,497**	19,196	29,619
Loans payable (Note 16)	**6,478**	10,278	3,914
Redemption and buyback of Series "G" preferred stock of First Gen (Note 20e)	**–**	–	(5,289)
Cash dividends to non-controlling shareholders of subsidiaries (Notes 17 and 20e)	**(4,179)**	(3,812)	(3,861)
Cash dividends to common shareholders (Note 20a)	**(1,019)**	(1,029)	(1,037)
Purchase of treasury stocks by Parent Company (Note 20a)	**(54)**	(545)	(892)
Purchase of treasury stocks by subsidiaries (Note 20e)	**(453)**	(585)	(536)
Increase (decrease) in other noncurrent liabilities	**(563)**	21,007	2,172
Net cash flows from (used in) financing activities	**8,941**	9,653	(15,459)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(12,563)**	8,513	8,464
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**41**	599	198
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**65,250**	56,138	47,476
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱52,728**	₱65,250	₱56,138

See accompanying Notes to Consolidated Financial Statements

ABBREVIATIONS/ACRONYMS USED IN THE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AEI	Asian Eye Institute
APO	Asset Preservation Obligation
ASPA	Ancillary Services Procurement Agreement
Avion Plant	PMPC's 97 MW Avion Open Cycle Natural Gas-Fired Power Plant
BEDC	Bac-Man Energy Development Corporation
BGI	Bac-Man Geothermal Inc.
BMGPP	Bac-Man Geothermal Power Plant
BIR	Bureau of Internal Revenue
Bluespark	Bluespark Management Limited
BOC	Bureau of Customs
BOD	Board of Directors
BOI	Board of Investments
BVAL	Bloomberg Valuation reference rate
CA	Court of Appeals
CAS	Credit Adjustment Spread
CEPALCO	Cagayan Electric Power and Light Co., Inc.
CGU	Cash-Generating Units
COC	Certificate of Compliance
COE	Certificate of Endorsement
CPI	Consumer Price Index
CTA	Court of Tax Appeals
CUSA	Common Usage Service Area
DENR	Department of Environment and Natural Resources
DSRA	Debt Service Reserve Account
Dualcore	Dualcore Holdings, Inc.
EAD	Exposure at Default
EBWPC	EDC Burgos Wind Power Corporation
ECC	Environmental Compliance Certificate
ECL	Expected Credit Loss
EDC	Energy Development Corporation
EDC HKL	EDC Hong Kong Limited
EHIL	EDC Holdings International Limited
EIR	Effective Interest Rate
EPBWPC	EDC Pagali Burgos Wind Power Corporation
EPC	Engineering, Procurement and Construction
EPIRA	Electric Power Industry Reform Act
EPS	Earnings per Share
ERC	Energy Regulatory Commission
FAN	Final Assessment Notice
FCRS	Fluid Collection and Recycling System
FG Bukidnon	FG Bukidnon Power Corp.
FG Hydro	First Gen Hydro Power Corporation
FGEN Northern Power	FGen Northern Power Corp.
FGen SG	First Gen Singapore PTE Ltd.
FGES	First Gen Energy Solutions Inc.
FGHC	First Gas Holdings Corporation
FGHC International	FGHC International Limited
FGP	FGP Corp.
FGPC	First Gas Power Corporation
First Balfour	First Balfour, Inc.
First Gen	First Gen Corporation
First Philec	First Philippine Electric Corporation
First PV	First PV Ventures Corporation
FIT	Feed-in Tariff
FITI	First Industrial Township Inc.
FITUI	First Industrial Township Utilities Inc.
FITWI	First Industrial Township Water Inc.
FLVI	FPH Land Ventures, Inc.
FNOC	Final Notice of Cancellation
FNPC	First NatGas Power Corp.
FPH	First Philippine Holdings Corporation
FPH Fund	FPH Fund Corporation
FPIC	First Philippine Industrial Corporation
FPH Ventures	FPH Ventures Corporation
FPIEC	FP Island Energy Corporation
FPIP	First Philippine Industrial Park, Inc.
FPNC	First Philec Nexolon Corporation
FPPC	First Philippine Properties Corporation
FPPSI	First Philippine Power Systems, Inc.
FPRC	First Philippine Realty Corporation
FPSC	First Philec Solar Corporation
FPUC	First Philippine Utilities Corporation
FRCN	Floating Rate Corporate Notes
FRLC	Fresh River Lakes Corp.
FSRI	First Sumiden Realty, Inc.
FSRU	Floating Storage and Regasification Unit
FUI	FPIP Utilities Inc.
FVPL/ FVTPL	Fair Value Through Profit or Loss
FVOCI	Fair Value Through Other Comprehensive Income
FWVB	FWV Biofields Corp.
FXCN	Fixed Rate Corporate Note
GCGI	Green Core Geothermal Inc.
GSC	Geothermal Service Contracts
Goldsilk	Goldsilk Holdings Corporation
GRESC	Geothermal Renewable Energy Service Contracts
GSPA	Gas Sale and Purchase Agreements
GWH	Gigawatt hours
HFCE	Household Final Consumption Expenditure
Hot Rock Entities	Hot Rock Peru BVI and Hot Rock Chile BVI
HSC	HydroPower Service Contract
IAS	International Accounting Standards
IBSI	InfoPro Business Solutions, Inc.
ICC	International Chamber of Commerce
ICR	Installment Contracts Receivable
IEMOP	Independent Electricity Market Operator of the Philippines, Inc.
IFC	International Finance Corporation
IMA	Investment Management Agreement
ITH	Income Tax Holiday
LBAA	Local Board of Assessment Appeals
LGD	Loss Given Default
LD	Liquidated Damages
LIBOR	London Interbank Offered Rate
Lopez Holdings	Lopez Holdings Corporation
MCIT	Minimum Corporate Income Tax
Meralco	Manila Electric Company
MEEM	Multiple Excess Earnings Method
MOA	Memorandum of Agreement
NDC	Net Dependable Capacity
NDCCS	Non-deliverable cross-currency swap
Nexolon	Nexolon Co. Ltd
NGCP	National Grid Corporation of the Philippines
NIA	National Irrigation Administration
NOLCO	Net Operating Loss Carryover
Northern Terracotta	Northern Terracotta Power Corporation
NPC	National Power Corporation
NRV	Net Realizable Value
O&M	Operations and Maintenance
OCI	Other Comprehensive Income
Onecore	Onecore Holdings, Inc.
PAHEP/MAHEP	Pantabangan Hydroelectric Power Plant/ Masiway Hydroelectric Power Plant
PAS	Philippine Accounting Standards
PD	Probability of Default
PDEx	Philippine Dealing & Exchange Corp
PDST	Philippine Dealing System Treasury
PEMC	Philippine Electricity Market Corporation
PECO	Panay Electric Company
PEZA	Philippine Economic Zone Authority
PIC	Philippine Interpretations Committee
PIC Q&A	Philippine Interpretations Committee Questions and Answers

PFRS	Philippine Financial Reporting Standards
PMPC	Prime Meridian Powergen Corporation
POC	Percentage of Completion
PPA	Power Purchase Agreement
PREHC	Philippines Renewable Energy Holdings Corporation
PEMBV	Philippine Energy Markets B.V.
Prime Terracota	Prime Terracota Holdings Corporation
PSA	Power Supply Agreement
PSALM	Power Sector Assets and Liabilities Management
PSE	Philippine Stock Exchange, Inc.
QRC	Quialex Realty Corp.
RBC	Rockwell Business Center
RCDC	Rockwell Carmelray Development Corporation
RE Law	Renewable Energy Law
Red Vulcan	Red Vulcan Holdings Corporation
REPA	Renewable Energy Payment Agreement
RNDC	Rockwell Nepo Development Corporation
RNI	Recurring Net Income
Rockwell Land	Rockwell Land Corporation
Rockwell Primaries	Rockwell Primaries Development Corporation
RPT	Real Property Tax
RSC	Retail Service Contract
San Gabriel	420 MW San Gabriel Power Plant
SBLC	Stand-By Letters of Credit
SEC	Securities and Exchange Commission
SEI	Siemens Energy, Inc.
SESC	Solar Energy Service Contract
SGX-ST	Singapore Exchange Securities Trading Limited
SIA	Substation Interconnection Agreement
SOFR	Secured Overnight Financing Rate
SPPI	Solely Payments of Principal and Interest
SSA	Steam Sales Agreement
TCC	Tax Credit Certificates
TEPO	Temporary Environmental Protection Order
TLMA	Transmission Line Maintenance Agreement
TOPQ	Take-Or-Pay Quantity
TRA	Trust and Retention Agreement
TransCo	National Transmission Corporation
VAT	Value Added Tax
WESC	Wind Energy Service Contract
WESM	Wholesale Electricity Spot Market

1. Corporate Information

First Philippine Holdings Corporation (FPH or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on June 30, 1961. FPH and its subsidiaries (collectively referred to as the Group) are engaged primarily in, but not limited to, power generation, real estate development, energy solutions, construction and other service industries.

FPH is 55.66% and 55.55%-owned by Lopez Holdings Corporation (Lopez Holdings), a publicly-listed Philippine-based entity, as at December 31, 2024 and 2023, respectively. The ultimate parent company of FPH is Lopez, Inc., a Philippine entity.

The registered office address of FPH is 6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City.

The consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were reviewed and recommended for approval by the Audit Committee on March 21, 2025. The Board of Directors (BOD) approved and authorized the issuance of the consolidated financial statements on March 27, 2025.

2. Summary of Material Accounting Policies

Basis of Preparation
The consolidated financial statements of the Group are prepared in accordance with PFRS Accounting Standards, as modified by the application of financial reporting reliefs issued and approved by the Philippine SEC.

On February 14, 2018, the 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 SEC issued SEC 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 provision of PIC Q&A 2018-12, specifically on the significant financing component. The Group opted to adopt the changes using modified retrospective approach effective January 1, 2024 and the impact was recognized in the beginning retained earnings. The comparative information is not restated.

The impact of modified retrospective adoption of the above change as at January 1, 2024 follows:

	As previously reported	Restatement	As restated
Contract assets	₱15,349	(₱356)	₱14,993
Contract liabilities	3,183	423	3,606
Investment in associates and joint ventures	7,560	(52)	7,508
Deferred tax liabilities	3,272	(199)	3,073
Unappropriated retained earnings	118,121	(547)	117,574
Non-controlling interests	96,125	(85)	96,040

PIC Q&A 2018-12-E (treatment of land in the determination of POC) and PIC Q&A 2020-02 (additional guidance on determining which uninstalled materials should not be included in calculating the POC) do not have an impact on the consolidated financial statements since the Group does not include land and uninstalled materials in the determination of POC.

The consolidated financial statements are prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value. The consolidated financial statements are presented in Philippine peso, the Parent Company's functional currency. All values are rounded to the nearest million peso, except when otherwise indicated.

Material Accounting and Financial Reporting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective in 2024.

The adoption of these amendments did not have an impact on the Group's consolidated financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*

  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 noncurrent.
  - 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*, Disclosures: 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.

Basis of Consolidation
The consolidated financial statements include the financial statements of FPH and its subsidiaries as at December 31 each year and for the years then ended. The Group controls an investee if and only if the Group has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses 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 over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date when 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 non-controlling interests even if this results in the non-controlling 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, liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non- controlling interest is recognized as part of "Equity reserve" account in the equity attributable to the equity holders of the Parent Company.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intercompany balances and transactions, including intercompany profit and losses are eliminated.

Non-controlling Interests
Non-controlling interests represent the portion of total comprehensive income or loss and net assets not held by the Group. Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Parent Company.

The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with PAS 27. In transactions where the non-controlling interest is acquired or sold without loss of control, any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized as part of "Equity reserve" account in the equity attributable to the equity holders of the Parent Company.

Business Combination and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the fair value of the acquiree's identifiable net assets. Transaction costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree, if any.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date at fair value and any resulting gain or loss is recognized in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, *Financial Instruments*, is measured at fair value with changes in fair value recognized in the consolidated statement of income in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each financial reporting date with changes in fair value recognized in the consolidated statement of income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating unit (CGU) or group of CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Investments in Associates and Joint Ventures

These consist of investments in a joint arrangement, classified as a joint venture, and associates that are accounted for at equity method.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the Group has significant influence, generally 20% to 50%. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or in joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using equity method.

Under the equity method, the investment is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in net assets of the joint venture or associate since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received from associates whose carrying values have been reduced to zero are recognized as income in the consolidated statement of income.

The consolidated statement of income reflects the Group's share in the results of operations of the joint venture or associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture or associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the Group's interest in the joint venture or associate.

The financial statements of the joint venture or associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in the joint venture or associate. At each financial reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value, then recognizes the loss within share in earnings from investments in associates and joint ventures in the consolidated statement of income.

Upon loss of joint control over the joint venture or 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 joint venture or associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Investment in Joint Operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to its interest in a joint operation, the Group recognizes its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities held jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

Determination of Fair Value

The Group measures financial instruments, such as, derivatives at each balance sheet date. Also, the Group discloses the fair values of financial instruments measured at amortized cost and investment properties measured at cost.

Fair value is the estimated 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 market 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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) 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; and
- 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 re-assessing 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when:

- It is expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within 12 months after the financial reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting date.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities, and net retirement assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with original maturities of three months or less from date of placement and that are subject to an insignificant risk of changes in value.

Short-term Investments
Short-term investments are short-term, highly liquid investments that are convertible to known amounts of cash with original remaining maturities of more than three months but less than one year from dates of acquisition.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group has the following financial assets and liabilities:

a. Financial Assets

Initial recognition
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, financial assets at fair value through OCI (FVOCI), and financial assets 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 business model of the Group for managing them. With the exception of trade receivables that do not contain a significant financing component, 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 are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*, (refer to the Revenue recognition policy). In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The business model of the Group 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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in three (3) categories:

- *Financial Assets at Amortized Cost.* This category is the most relevant to the Group. Financial assets at amortized cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of income when the asset is derecognized, modified or impaired.

  As at December 31, 2024 and 2023, this category includes the Group's cash and cash equivalents, short-term investments, trade and other receivables, and other deposits, funds and receivables which are recorded under "Other current and other noncurrent financial assets" in the consolidated statement of financial position.

- *Financial Assets designated at FVOCI (equity instruments).* The Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Gains and losses on these financial assets are never recycled to the consolidated statement of income. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

  As at December 31, 2024 and 2023, this category includes the Group's quoted and unquoted equity securities, quoted government debt securities and proprietary membership shares.

- *Financial Assets at FVPL.* Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are accounted for as financial assets at FVPL unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income. Gains or losses on investments held for trading are recognized in the consolidated statement of income as “Mark-to-market gain on derivatives” under “Finance income” account and as “Mark-to-market loss on derivatives” under “Finance costs” account.

This category includes derivative instruments and listed equity instruments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognized as other income in the consolidated statement of income when the right of payment has been established.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred assets 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.

Impairment of Financial Assets. The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets except debt instruments held at FVPL. 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 EIR. 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.

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

For receivables that do not contain a significant financing component, the Group applies a simplified approach in calculating ECLs. 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 that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

For financial assets at amortized costs being individually assessed for ECLs, the Group applied lifetime ECL calculation. This involves determination of probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group’s debt instruments at FVOCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by credit rating agencies such as Moody's Corporation (Moody's) and/or Standard & Poor's Financial Services LLC (S&P), and therefore are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Moody's and/or S&P both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

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.

Determining the Stage for Impairment. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of a default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Staging Assessment. PFRS 9 establishes a three-stage approach for impairment of financial assets, based on whether there has been a significant increase in credit risk of a financial asset. Three stages then determine the amount of impairment to be recognized.

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of default occurring on the financial instrument as at the reporting date, with the risk of default occurring on the financial instrument at the date of initial recognition.

- Stage 2 is comprised of all non-financial instruments which have experienced a significant increase in credit risk since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12-month ECL.

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

General Approach. Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group has leveraged on available market data for cash and cash equivalents to calculate the ECL.

Simplified Approach. For receivables, the Group applies a simplified approach in calculating ECLs. 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 that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are over 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 cash flows 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.

b. 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.

The Group's financial liabilities include trade payables and other current liabilities, loans payable, long-term debt, and derivative liabilities included under "Other noncurrent liabilities".

Subsequent Measurement. The measurement of financial liabilities depends on their classification as described below.

- *Financial Liabilities at FVPL.* Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVPL.

  Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

  The Group's financial liabilities designated at FVPL are the foreign currency forwards which are recorded as "Derivative liabilities" in the consolidated statement of financial position as of December 31, 2023.

- *Loans and Borrowings.* This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well through the amortization process.

  Debt issuance costs incurred in connection with availments of long-term debt and loans payable are deferred and amortized using the EIR method over the term of the long-term debt and loans payable. The amortization is recognized under the "Finance costs" account in the consolidated statement of income. Debt issuance costs are included in the measurement of the related long- term debts and are allocated accordingly to the respective current and noncurrent portions.

  The Group's loans and borrowings include trade payables and other current liabilities, loans payable and long-term debt as at December 31, 2024 and 2023.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

c. Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

d. Derivative Financial Instruments and Hedge Accounting

The Group enters into derivative and hedging transactions, primarily interest rate swaps, cross currency swap and foreign currency forwards, as needed, for the sole purpose of managing the risks that are associated with the Group's borrowing activities or as required by the lenders in certain cases.

Derivative financial instruments (including bifurcated embedded derivatives) are initially recognized at fair value on the date on when the derivative contract is entered into and are subsequently re- measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from changes in fair value of derivatives that do not qualify for hedge accounting is taken directly to the consolidated statement of income for the current year as "Mark-to-market gain on derivatives" under "Finance income" account and as "Mark-to-market loss on derivatives" under "Finance costs" account in the consolidated statement of income.

For purposes of hedge accounting, derivatives can be designated either as cash flow hedges or fair value hedges depending on the type of risk exposure it hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group opts to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an "economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash Flow Hedges. Cash flow hedges are hedges of the exposure to variability in cash flows that are attributable to a particular risk associated with a recognized asset, liability or a highly probable forecast transaction and could affect the consolidated statement of comprehensive income. The effective portion of the gain or loss on the hedging instrument if any, is recognized as other comprehensive income (loss) in the "Cumulative translation adjustments" account in the consolidated statement of financial position, while the ineffective portion is recognized as "Finance income (costs)" account in the consolidated statement of income.

Amounts taken to other comprehensive income (loss) are transferred to the consolidated statement of income when the hedged transaction affects profit or loss, such as when hedged financial income or expense is recognized or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to other comprehensive income (loss) are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognized in other comprehensive income (loss) are transferred to the consolidated statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income (loss) remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is recognized in the consolidated statement of income.

The Group accounts for its interest rate swap, foreign currency forwards, and call spread swap agreements as cash flow hedges. Information about the Group's cash flow hedges is disclosed in Notes 29 and 30.

*Embedded Derivative*s. An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

The Group assesses whether embedded derivatives are required to be separated from host contracts when the Group first becomes a party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. Embedded derivatives are bifurcated from their host contracts, when the following conditions are met:

a. the entire hybrid contracts (composed of both the host contract and the embedded derivative) are not accounted for as financial assets and liabilities at FVPL;
b. when their economic risks and characteristics are not closely related to those of their respective host contracts; and
c. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL. Changes in fair values are included in the consolidated statement of income. The Group has no bifurcated embedded derivatives as at December 31, 2024 and 2023.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). Costs incurred in bringing each item of inventory to its present location and conditions are accounted for as follows:

- Land and development costs, condominium units held for sale and property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventories.

  Cost includes land cost, amounts paid to contractors for construction and development, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs and borrowing costs capitalized prior to start of pre-selling activities for the real estate project.

- Finished goods and work-in-process - determined on the weighted average basis; cost includes materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs.

- Raw materials, spare parts, supplies and fuel inventories - cost includes the invoice amount, net of trade and cash discounts. Costs are calculated using the weighted average method or the moving average method, whichever is applicable.

The NRV is determined as follows:

- Land and development costs, condominium units held for sale and property acquired or being constructed for - estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less specifically identifiable estimated costs of completion and the estimated costs of sale.

- Finished goods - estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

- Work-in-process - selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated specifically identifiable costs of completion and the estimated costs of sale.

- Raw materials, spare parts and supplies - current replacement cost.

- Fuel inventories- based on weighted average cost of actual fuel consumed

Prepayments and Other Current Assets

Creditable Withholding Tax. Creditable withholding tax (CWT) represents unapplied certificates which can be used as payment of income tax due in the succeeding years.

Prepaid Expenses. Prepaid expenses are paid in advance and recorded as an asset before these are utilized. These are apportioned over the period covered by the payment and charged to the appropriate accounts in the consolidated statement of income when incurred.

Tax Credit Certificates (TCCs). Prepaid taxes are carried at cost less any impairment in value. Prepaid taxes consist mainly of tax credits that can be used by the Group in the future. Tax credits represent unapplied certificates for claims from input value-added tax (VAT) and credits received from the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC). Such tax credits may be used for payment of internal revenue taxes or customs duties.

Advances to Contractors and Suppliers
Advances to contractors and suppliers represent advance payments on services to be incurred in connection with the Group's operations. These are capitalized to projects under "Real estate inventories", "Investment properties" and "Property, plant and equipment" accounts in the consolidated statement of financial position upon actual receipt of services.

Property, Plant and Equipment
Property, plant and equipment, except land, are carried at cost less accumulated depreciation, amortization and any impairment in value. Land is carried at cost less any impairment in value.

The initial cost of property, plant and equipment, consist of its purchase price including import duties, borrowing costs (during the construction period) and other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing the part of such property, plant and equipment when the recognition criteria are met and the estimated present value of dismantling and removing the asset and restoring the site.

Property, plant and equipment also include the estimated rehabilitation and restoration costs. Under their respective Environmental Compliance Certificate (ECCs), FGP Corp. (FGP), First Gas Power Corporation (FGPC), First NatGas Power Corp. (FNPC) and Prime Meridian Powergen Corporation (PMPC) have legal obligations to dismantle their respective power plant assets at the end of their useful lives. FG Bukidnon Power Corporation (FG Bukidnon), on the other hand, has legal obligation under the Hydropower Service Contract (HSC) to dismantle its power plant asset at the end of its useful life. Energy Development Corporation (EDC) also has legal obligations to dismantle the steam fields and power plants located in the contract areas for which EDC is legally and constructively liable.

It also includes the Asset Preservation Obligation (APO) of First Philippine Industrial Corporation (FPIC) under "Exploration, machinery and equipment" account. The APOs recognized represent the best estimate of the expenditures required to preserve the pipeline at the end of their useful lives and to preserve the property and equipment of FPIC.

The income generated wholly and necessarily as a result of the process of bringing the asset into the location and condition for its intended use (i.e., net proceeds from selling any items produced while testing whether the asset is functioning properly) is credited to the cost of the asset up to the extent of cost of testing capitalized during the testing period. Any excess of net proceeds over costs is recognized in the consolidated statement of income and not against the cost of property, plant and equipment. When the incidental operations are not necessary to bring an item to the location and condition necessary for it to be capable of operating in the manner intended by management, the income and related expenses of incidental operations are not offset against the cost of the property, plant and equipment but are recognized in the consolidated statement of income and included in their respective classifications of income and expense.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to current operations in the year 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, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

The Group divided the power plant assets into significant parts. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated and amortized separately.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

Asset Type	Number of Years
Power plants, buildings and other structures	5−50
Leasehold improvements	5 or lease term with no renewal option, whichever is shorter
Fluid collection and recycling system (FCRS) and production wells	10−25
Transportation equipment	5−10
Furniture, fixtures and office equipment	3−10
Exploration, machinery and equipment	2−25

The useful lives and depreciation and amortization method are reviewed at each financial reporting date to ensure that the useful lives and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Depreciation of an item of property, plant and equipment begins when it becomes available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operation*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Construction in progress represents structures under construction and is stated at cost less any impairment of value, if any. This includes costs of construction and other direct costs. Costs also include interest and financing charges on borrowed funds and the amortization of deferred financing costs on these borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the assets are put into operational use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized.

Investment Properties
Investment properties consist of properties (land or a building or part of a building or a combination) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business

These, except land, are measured initially at cost, including transaction costs, less accumulated depreciation and any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Land is carried at cost (initial purchase price and other costs directly attributable in bringing such assets to its working condition) less any impairment in value.

Depreciation is computed using the straight-line method over the estimated useful lives of 5 to 35 years. The investment properties' residual values, useful lives and depreciation methods are reviewed at each financial reporting date and adjusted prospectively, if appropriate, to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of investment properties.

When each major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied.

Investment properties are derecognized either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the year of derecognition.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupied or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupied or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment property at the date of change in use.

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.

Investment properties in progress pertain to projects under construction and are stated at cost which includes cost of construction and other direct costs. Investment properties in progress are not depreciated until such time that the relevant assets are completed and become available for operational use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition. The intangible assets arising from the business combination are recognized initially at fair values.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Internally-generated intangible assets, if any, excluding capitalized development costs, are not capitalized and expenditures are reflected in the consolidated statement of income in the year the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized using the straight-line method over the estimated useful economic life, and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortization shall begin when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortization period and method for an intangible asset with a finite useful life are reviewed at least each financial reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortized but tested for impairment annually, either individually or at the CGU level. Such intangible assets are not amortized. 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.

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

Water Rights. The cost of water rights of First Gen Hydro Power Corporation (FG Hydro) is measured on initial recognition at cost. Following initial recognition of the water rights, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. Water rights are amortized using the straight-line method over 25 years, which is the term of the agreement with the National Irrigation Administration (NIA).

Pipeline Rights. Pipeline rights represent the construction cost of the natural gas pipeline facility connecting the natural gas supplier's refinery to FGP's power plant including incidental transfer costs incurred in connection with the transfer of ownership of the pipeline facility to the natural gas supplier. The cost of pipeline rights is amortized using the straight-line method over 22 years, which is the term of the Gas Sale and Purchase Agreement (GSPA).

Intangible Asset on Acquired Operations and Maintenance (O&M) Agreements
The cost of intangible asset on acquired O&M Agreements of Fresh River Lakes Corp. (FRLC) is measured on initial recognition at cost. Following initial recognition, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. The intangible asset is amortized using the straight-line method over 50 years.

Right-to-Use Transmission Line. Right-to-use transmission line pertain to the substation improvements donated to the National Transmission Corporation (TransCo) pursuant to the Substation Interconnection Agreement (SIA) dated September 2, 1997 entered into among FGPC, National Power Corporation (NPC) and Manila Electric Company (Meralco). The transferred substation improvements were accounted for as intangible assets since FGPC still maintains the right to use these assets under the provisions of the PPA with Meralco and the SIA. The cost of rights to use transmission line is amortized using the straight-line method over the remaining life of related power plant assets.

Other Intangible Assets. This includes costs of acquisition of computer software and licenses which are capitalized as intangible asset if such costs are not integral part of the related hardware. These are initially measured at cost. Subsequently, these are measured at cost less accumulated amortization and allowance for impairment losses, if any. Amortization of computer software is computed using the straight-line method of over 5 years.

<u>Other Noncurrent Assets</u>
Advances to Landowners. Advances to landowners pertain to deposits made for future acquisition of parcels of land which will be applied against the purchase price of the lots upon submission of the necessary documents for the transfer of title.

Prepaid Major Spare Parts. Prepaid major spare parts are stated at cost less any impairment in value. Prepaid major spare parts pertain to the advance payments made to Siemens Energy, Inc. (SEI) for the major spare parts that will be replaced during the scheduled maintenance outage.

Exploration and Evaluation Assets. The Group, particularly EDC, follows the full cost method of accounting for its exploration costs determined on the basis of each service contract area. Under this method, all exploration costs relating to each service contract are accumulated and deferred in "Exploration and evaluation assets" under "Other noncurrent assets" account in the consolidated statement of financial position pending the determination of whether the wells have proved reserves. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in the consolidated statement of income when incurred. Once the legal rights to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. Capitalized exploration and evaluation expenditures are considered to be intangible assets until the commencement of drilling of exploratory wells.

If tests conducted on the drilled exploratory wells reveal that these wells cannot produce proved reserves, the capitalized costs are charged to expense except when management decides to use the unproductive wells, for recycling or waste disposal. Once the technical feasibility and commercial viability of the project to produce proved reserves are established, the exploration and evaluation assets shall be reclassified to "Property, plant and equipment" account.

Exploration and evaluation assets also include the estimated rehabilitation and restoration costs of EDC that are incurred as a consequence of having undertaken the exploration for and evaluation of geothermal reserves.

Impairment of Non-financial Assets

At each financial reporting date, the Group assesses whether there is any indication that its non- financial assets comprising of investments in associates and joint ventures, property plant and equipment, investment properties, intangible assets (excluding goodwill), prepaid major spare parts, and input VAT claims/tax credits may be impaired. If any such exists or when an annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. 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 or CGU. An impairment loss is recognized in the consolidated statement of income in the year in which it arises.

An assessment is made at each financial 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 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 or amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

Goodwill. Goodwill is reviewed for impairment at least annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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

Impairment loss relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill as at December 31 for Red Vulcan Holdings Corporation (Red Vulcan), First Gas Holdings Corporation (FGHC), FG Hydro, Asian Eye Institute (AEI), InfoPro Business Solutions, Inc. (IBSI), EDC Hong Kong Limited (EDC HKL), and the Medical Services of America (Philippines), Inc. (MSA-PH), and September 30 for Green Core Geothermal Inc. (GCGI) or more frequently; if events or changes in circumstances indicate that the carrying value may be impaired.

Exploration and Evaluation Assets. Exploration and evaluation assets are tested for impairment when facts and circumstances suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Group makes a formal estimate of an asset's recoverable amount. The recoverable amount is the higher of exploration and evaluation asset's fair value less costs to sell and its value in use. Recoverable amount is determined for an individual exploration and evaluation asset, unless the exploration and evaluation asset does not generate cash inflows that are largely independent from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash-generating unit to which it belongs. Where the carrying amount of an exploration and evaluation asset (or CGU) exceeds its recoverable amount, the exploration and evaluation asset (or CGU) is considered impaired and is written down to its recoverable amount. 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 (or CGU). An impairment loss is recognized as part of "Others" under "General and administrative expenses" in the consolidated statement of income in the year in which it arises.

Leases

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 re- measurement of lease liabilities. The costs of right-of-use assets include the amount of lease liability recognized, and lease payments made at or before the commencement date.

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 as follow:

Right-of-use assets	Number of Years
Transportation equipment	5
Building	4–35
Land	10−25
Charter hires	5−10

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

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 over the lease term.

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 amounts of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amounts of lease liabilities are 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.

Short-term Leases and Leases of Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of (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 lease of low- value assets recognition exemption to leases of 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.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Property, plant and equipment" and "Investment properties" accounts in the consolidated statement of financial position).

Capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 these borrowings.

The capitalization of finance 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.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive): (a) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognized in the consolidated statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized under the "Finance costs" account in the consolidated statement of income.

The Group recognizes provisions arising from legal and/or constructive obligation associated with the cost of dismantling and removing an item of property, plant and equipment and restoring the site where it is located. The Group likewise records the present value of estimated costs of legal and constructive obligation required to restore the sites upon termination of the cooperation period in accordance with its Geothermal Renewable Energy Service Contract (GRESCs). The nature of these activities includes plugging of drilled wells and restoration of pads and road networks. Similarly, under the Wind Energy Service Contract (WESC), EDC Burgos Wind Power Corporation (EBWPC) is responsible for the removal and the disposal of all materials, equipment and facilities installed in the contract area used for the wind energy project. In determining the amount of provisions for rehabilitation and restoration costs, assumptions and estimates are required in relation to the expected cost to rehabilitate and restore sites and infrastructure when such obligation exists. When the liability is initially recognized, the present value of the estimated costs is capitalized as part of the carrying amount of the related "FCRS and production wells" and "Power plants" under "Property, plant and equipment" account and "Exploration and evaluation assets" under "Other noncurrent assets" account in the consolidated statement of financial position.

The obligation occurs either when the asset is acquired or as a consequence of using the asset for the purpose of generating electricity during a particular year. Dismantling costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the dismantling liability. The unwinding of the discount and the amount of provision for rehabilitation and restoration costs are expensed as incurred and recognized as an accretion in the consolidated statement of income under the "Finance costs" account. The estimated future costs of dismantling are reviewed annually and adjusted, as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingencies

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

Capital Stock and Capital in Excess of Par Value
Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate class of stock is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction, net of tax, from proceeds when the stocks are sold at premium, otherwise such are expensed as incurred. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as capital in excess of par value.

Treasury Stock
Shares of FPH that are acquired by any of the Group entities are recorded at cost and shown as deduction in the equity section of the consolidated statement of financial position. No gain or loss is recognized on the purchase, sale, re-issue or cancellation of the treasury stocks. Upon reissuance of treasury stocks, the excess of proceeds from re-issuance over the cost of treasury stocks is credited to “Capital in excess of par value”. However, if the cost of treasury stocks exceeds the proceeds from reissuance, such excess is charged to “Capital in excess of par value” account but only to the extent of previously set up capital in excess of par for the same class of stock. Otherwise, this is debited against the “Retained earnings” account. Own equity instruments which are held by subsidiaries are treated similar to treasury stocks and recognized and deducted from equity at cost in the consolidated financial statements. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Parent Company’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital.

Retained Earnings
The amount included in retained earnings includes net income attributable to the Group’s equity holders and reduced by dividends on capital stock. Dividends are recognized as a liability and deducted from retained earnings when they are declared. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting date. The remeasurement gains and losses on retirement benefits are also included in the amount of retained earnings.

Retained earnings may also include the effect of changes in accounting policies as may be required by the standards’ transitional provisions.

Portions of the retained earnings are restricted from being declared as dividend such as acquisition price of the treasury stocks and remeasurement gains on retirement benefits.

Dividends on Preferred and Common Stocks
The Group may pay dividends in cash, property or by the issuance of shares of stock. Cash and property are subject to the approval of the BOD, while stock dividends are subject to the approval of the BOD, at least two-thirds of the outstanding capital stock of the shareholders at a shareholders’ meeting called for such purpose, and by the Philippine SEC. The Group may declare dividends only out of its unrestricted retained earnings.

Cash and property dividends on preferred and common stocks are recognized as liability and deducted from equity when declared. Stock dividends are treated as transfers from retained earnings to capital in excess of par value.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue from Sale of Electricity. Revenue from sale of electricity (for EDC, FGP, FGPC and FNPC) is based on the respective PPAs of EDC, FGP and FGPC, Power Supply Agreement (PSA) of FNPC, revenues from power distribution of FPIP Utilities Inc. (FUI) and First Industrial Township Utilities, Inc. (FITUI) and from the alternative electric service provided by FP Island Energy Corporation (FPIEC). These agreements, with the exception of FPIEC, FUI, and FITUI, call for a take-or-pay arrangement where payment is made principally on the basis of the availability of the power plant and not on actual deliveries of electricity generated.

Revenue from these contracts is composed of fixed capacity fees, fixed and variable operating and maintenance fees, fuel, wheeling and pipeline charges, and supplemental fees (excluding fixed capacity fees, collectively referred to as the “non-lease components”).

Revenue from sale of electricity under these contracts such as variable operating and maintenance fees, fuel, wheeling and pipeline charges, and supplemental fees are recognized monthly based on the actual energy delivered. Fixed capacity fees and fixed operating and maintenance fees are recognized monthly based on Net Dependable Capacity (NDC) tested or proven, over the terms of the respective PPAs and PSA.

Revenues from sale of electricity that are not covered by the long-term PPAs and PSA, particularly those that are using natural gas, geothermal, hydroelectric, wind and solar energy, are consummated whenever the electricity generated by these companies is transmitted through the transmission line designated by the buyer, for a consideration. Revenues from sale of electricity using natural gas, hydroelectric, and geothermal power are based on sales price and are composed of generation fees from spot sales to the Wholesale Electricity Spot Market (WESM) and PSAs with various electric companies. Revenue from sale of electricity using wind and solar power is based on the applicable Feed-in Tariff (FIT) rate as approved by the Energy Regulatory Commission (ERC). Revenue from sale of electricity is recognized monthly based on the actual energy delivered.

Meanwhile, revenue from sale of electricity through ancillary services to the National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and or dispatched and provided. For First Gen Energy Solutions, Inc. (FGES), revenue from sale of electricity is composed of generation charge from monthly energy supply with various contestable customers through Retail Supply Contract (RSC), and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

Sale of Real Estate. Revenue from contracts with real estate customers generally includes sale of developed lot, house and lot and condominium units.

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 disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3 to the consolidated financial statements.

- *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 these real estate projects under pre-completion stage are recognized over time during the construction period [or percentage of completion (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.

  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/ milestones reached/ time elapsed. This is based on the monthly project accomplishment report prepared by the project inspector as approved by the project manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself. Estimated development costs of the real estate project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between cost of real estate sold and real estate inventories.

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 asset" under "Trade and other receivables" account in the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the "Contract liabilities" under "Trade payables and other current liabilities" account in the consolidated statement of financial position.

- *Contract Balances*
  - *Real Estate 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 a consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

    Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section *Initial Recognition and Subsequent Measurement*.

  - *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 a consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). 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.

  - *Contract Fulfillment Assets.* Contract fulfillment costs 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 these criteria requires the application of judgment, 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 connection fees and land acquisition costs.

  - *Amortization, Derecognition 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 to cost of sales over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization is included within cost of real estate.

    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 financial reporting date, the Group determines whether there is an indication that contract fulfillment asset or 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, judgment 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, their judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Revenue from Sale of Merchandise. The Group is in the business of providing transformer equipment and optical products. Revenue from sale of merchandise is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the equipment and optical products.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Revenue from Construction Contracts. The Group assessed that there is only one performance obligation for each construction agreement that it has entered and that revenue arising from such agreement qualify for recognition over time based on the project's POC because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced by applying par. 35(b) of PFRS 15. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from the asset. The customer, having the ability to specify the design (or any changes thereof) of the asset, controls the asset as it is being constructed. Furthermore, the Group builds the asset on the customer's land (or property controlled by the customer).

The Group also recognized as part of its construction revenue, the effects of variable considerations arising from various change orders and claims, to the extent that they reflect the amounts the Group expects to be entitled and to be received from the customers, provided that it is highly probable that a significant reversal of the revenue recognized in connection with these variable considerations will not occur in the future. For unpriced change orders and claims, the Group uses the "most likely amount" method to predict the amounts the Group expects to be entitled to and to be received from the customers.

The Group elected to use the output method to measure the progress of the fulfillment of its performance obligation, which is based on the surveys of work performed by an internal quantity surveyor to measure the stage of completion.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the construction contracts, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

a. *Variable Consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some construction contracts provide customers with a right for delay liquidated damages. The right for delay liquidated damages gives rise to variable consideration.

In estimating the variable consideration, the Group is required to use either the "expected value" method or the "most likely amount" method based on which method better predicts the amount of consideration to which it will be entitled. The "expected value" method of estimation takes into account a range of possible outcomes, while the "most likely amount" method is used when the outcome is binary.

The Group determined that the "most likely amount" method is the appropriate method to use in estimating the variable consideration given the large number of contracts with customers that have similar characteristics and has a single-volume threshold.

b. *Significant Financing Component*

Generally, the Group receives short-term advances from its customers. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Lease. Lease income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms or based on the terms of the lease, as applicable.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

The Group shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Water Distribution and Wastewater Treatment. Revenues from water distribution and wastewater treatment are satisfied over time and are recognized when services are rendered, on an accrual basis, based on monthly meter reading of the customers' water consumption. Other water and wastewater charges are for the recovery of investment and expenses incurred in the development, construction, management, operation and maintenance of centralized water and wastewater system which are also satisfied over time and are recognized when services are rendered.

Park Charges. Revenue from park charges is satisfied over time and are recognized as the services are rendered. These are fees for the periodic maintenance and administration of the park.

Room (Hotel) Revenues. Room revenues are recognized at a point in time when services are performed. Deposits received from customers in advance on rooms or other services are recorded as liabilities until services are provided to the customers.

Cinema, Mall and Other Revenues. Revenue is recognized at a point in time when services are rendered.

Membership Dues. Membership dues are recognized as revenue in the applicable membership period. Membership dues received in advance are recorded as part of "Trade payables and other current liabilities" account in the consolidated statement of financial position.

Interest Income. Interest income is recognized as the interest accrues (using the EIR which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset), taking into account the effective yield on the asset.

Dividends. Dividend income is recognized when the Group's right to receive the payment is established.

Other Income. This includes proceeds from insurance claims which are recognized at a point in time when receipt is virtually certain. This also includes other income/ receipts which are recognized at point in time when the Group's right to receive the payment is established.

Costs and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants, and are recognized when these are incurred.

Cost of Sale of Electricity. These include expenses incurred by the departments directly responsible for the generation of revenues from sale of electricity (i.e., Plant Operations, Production, Maintenance, Transmission and Dispatch, Wells Drilling and Maintenance Department) at operating project locations in the case of EDC. This account also includes the costs incurred by FGPC, FGP, FNPC, PMPC, FRLC, and FGEN LNG, particularly fuel cost, power plant operations and maintenance, and depreciation and amortization, which are necessary expenses incurred to generate the revenues from sale of electricity. Costs of sale of electricity are expensed when incurred.

Cost of Real Estate. 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 the costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Costs to Obtain Contract. The incremental cost to obtain 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 "Real estate costs and expenses" account in the consolidated statement of income.

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

Cost of Contracts and Services. Contract costs include all direct materials, labor costs and indirect costs related to contract performance. Changes in job performance, job conditions and estimated profitability including those arising from contract penalty provisions and final contract settlements, which may result in revisions to estimated costs and gross margins, are recognized in the year in which the revisions are determined.

Cost of Sale of Merchandise. Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity other than those relating to distribution to equity participants. These are recognized on an accrual basis. Under this basis, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is paid) and they are recorded in the accounting records and reported in the consolidated financial statements during the periods to which they relate.

Foreign Currency Translations
The consolidated financial statements are presented in Philippine peso, which is FPH's functional currency. All subsidiaries and associates evaluate their primary economic and operating environment and, determine their functional currency and items included in the financial statements of each entity are initially measured using that functional currency.

Transactions and Balances. Transactions in foreign currencies are initially recorded in the functional currency rate prevailing on the period of the transaction. Monetary assets and liabilities denominated in foreign currency are re-translated at the functional currency spot rate of exchange prevailing at the financial reporting date.

All differences are recognized in the consolidated statement of income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Group Companies. The Philippine peso is the currency of the primary economic environment in which FPH and all other subsidiaries and associates operate, except for the following:

Subsidiary/Associate	Functional Currency
First Gen Corporation (First Gen)	United States dollar
First Sumiden Realty Inc. (FSRI)	- do -
First Philippine Nexolon Corp. (FPNC)	- do -
First Philippine Solar Corp. (FPSC)	- do -
FGHC International Limited (FGHC International)	- do -
FPH Fund Corporation (FPH Fund)	- do -
FPH Ventures	- do -
Pi Ventures, Inc.	- do -
Unified Holdings Corporation	- do -
FGP	- do -
FGHC	- do -
FGPC	- do -
Blue Vulcan	- do -
First Gen Renewables, Inc. (FGRI)	- do -
Goldsilk Holdings Corporation	- do -
Dualcore Holdings Inc.	- do -
Onecore Holdings Inc.	- do -
FNPC	- do -
First Gen Singapore Pte. Ltd. (FGen SG)	- do -
EBWPC	- do -
Energy Development Corporation Hong Kong Limited (EDC HKL)	- do-
Energy Development Corporation Hong Kong International Investment Limited (EDC HKIIL)	- do-
EDC Chile Holdings SPA	Chilean peso
EDC Geotermica Chile	- do -
EDC Chile Limitada	- do -
EDC Peru Holdings S. A.C.	Peruvian nuevo sol
EDC Geotermica Peru S. A.C.	- do -
EDC Peru S.A.C.	- do -
EDC Geotérmica Del Sur S.A.C.	- do -
EDC Energía Azul S.A.C.	- do -
Geotermica Crucero Peru S.A.C.	- do -
EDC Energía Perú S.A.C.	- do -
Geotermica Tutupaca Norte Peru S.A.C.	- do -
EDC Energía Geotérmica S.A.C.	- do -
EDC Progreso Geotérmico Perú S.A.C.	- do -
Geotermica Loriscota Peru S.A.C.	- do -
EDC Energía Renovable Perú S.A.C.	- do -

Subsidiary/Associate	Functional Currency
EDC Soluciones Sostenibles Ltd	Peruvian nuevo sol
EDC Desarollo Sostenible Ltd	- do -
EDC Energia Verde Chile SpA	- do -
EDC Energia de la Tierra SpA	- do -
EDC Energia Verde Peru SAC	- do -
PT EDC Indonesia	Indonesian rupiah
PT EDC Panas Bumi Indonesia	- do -

The financial statements of the consolidated subsidiaries and associates with functional currency other than the Philippine peso are translated to Philippine peso as follows:

- Assets and liabilities using the closing rate of exchange prevailing at the financial reporting date;
- Components of equity using historical exchange rates; and
- Income and expenses using the monthly weighted average exchange rates for the year.

The exchange differences arising on the translation are recognized as other comprehensive income (loss) under "Cumulative translation adjustments" account. Upon disposal of any of these subsidiaries and associates, the deferred cumulative amount recognized in "Cumulative translation adjustments" relating to that particular subsidiary or associate will be recognized in the consolidated statement of income.

Retirement Costs

FPH and certain of its subsidiaries have distinct, funded, noncontributory defined benefit retirement plans. The plans cover all permanent employees, each administered by their respective retirement committees. EDC also maintains a funded, non-contributory defined benefit retirement plan, and it also provides post-employment medical and life insurance benefits which are unfunded.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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 net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as an expense or income in the consolidated statement of income.

Re-measurements 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 the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. 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. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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 Benefit. 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.

<u>Income Tax</u>
Current Income Tax. Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted as at the end of the financial reporting period.

Deferred Income Tax. Deferred income tax is provided using the balance sheet liability method on temporary differences as at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination which, at the time of the transaction, affects neither the accounting income nor taxable income and does not give rise to equal taxable and deductible temporary differences.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the income tax rates that are applicable 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 as at financial reporting date.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in subsidiaries and associates.

Current and deferred income tax relating to items recognized directly in equity is also recognized in the consolidated statement of changes in equity and not in the consolidated statement of income.

Deferred income tax relating to items recognized directly in other comprehensive income is recognized in consolidated statement of comprehensive income.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

<u>Value-Added Tax (VAT)</u>
Revenues, expenses and assets are recognized net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- Where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Subject to approval of the taxation authority, input VAT can be claimed for refund or as tax credit for payment of certain types of taxes due by certain companies within the Group. Input VAT claims granted by the taxation authority are separately presented as "Tax Credit Certificates" under the "Prepayments and other current assets" and "Other noncurrent assets" accounts in the consolidated statement of financial position.

<u>Earnings per Share (EPS)</u>
Basic EPS is calculated by dividing the net income (less preferred dividends, if any) for the year attributable to common stockholders by the weighted average number of common stocks outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted EPS is calculated in the same manner, adjusted for the effects of dilutive potential stocks (e.g. stock options, convertible preferred stocks). As at December 31, 2024 and 2023, the Group does not have any dilutive potential stocks. Hence, diluted EPS is the same as the basic EPS.

<u>Segment Reporting</u>
For purposes of management 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. The Group's operating segments, which are consistent with the segments reported to the BOD which the Group's Chief Operating Decision Maker (CODM).

Financial information on business segments is presented in Note 4 to the consolidated financial statements. The Group has one geographical segment and derives substantially of its revenues from domestic operations.

Events After the Financial Reporting Period
Post year-end events that provide additional information about the Group's financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements requires the Group's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities, at the financial reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of the assets and liabilities affected in future years.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

Determination of Functional Currency. Each entity within the Group determines its own functional currency. The respective functional currency of each entity is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the sale of services and the costs of providing services.

The presentation currency of the Group is the Philippine peso, which is the Parent Company's functional currency. The functional currency of each of the subsidiaries, as disclosed in Note 2 to the consolidated financial statements, is determined based on the economic substance of the underlying circumstances relevant to each subsidiary.

Determination of Control over an Investee Company. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Parent Company has established that it has the ability to control its subsidiaries by virtue of either 100% or majority interest in the investee companies.

First Gen has indirect 40.0% economic interest in EDC through Prime Terracota and Red Vulcan. Prior to September 30, 2017, First Gen also directly and indirectly owned 1.98 billion common stocks in EDC, which was equivalent to a 10.6% economic interest in EDC. Following the successful tender offer conducted by Philippines Renewable Energy Holdings Corporation (PREHC), which was settled on September 29, 2017, to acquire up to 47.5% of EDC's common stocks, First Gen and Northern Terracotta participated and sold 9.0% of their combined 10.6% economic stake in EDC.

As at December 31, 2024 and 2023, First Gen's total economic stake in EDC is 45.8%, of which 44.0% is held through Red Vulcan while the remaining 1.8% is held directly through First Gen and Northern Terracotta. Moreover, First Gen holds a 65.0% voting interest in EDC, of which 63.9% is held through Red Vulcan. First Gen has control over EDC given its controlling voting stake in EDC.

Assessment of Acquisition as Business Combination. Significant judgement is required in determining whether the Group's acquisition of the 165 MW Casecnan Hydro Electric Power Plant (CHEPP) constitutes a business in accordance with PFRS 3. Management considers the substance of the assets acquired in determining whether the acquisition represents an acquisition of a business to be accounted for as a business combination using the acquisition method.

Where such acquisition is not judged to be an acquisition of a business, it is accounted for as an asset acquisition whereby the cost of the acquisition is allocated to the assets acquired based on their relative fair values.

The Group's acquisition of CHEPP was accounted for as business combination (see Note 5).

Interest in Joint Ventures and Associates. The Group has assessed that it has joint control in its joint ventures and joint venture parties have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Under the Joint Venture Agreement (JV Agreement), each party's share in any proceeds, profits, losses, and other economic value derived under the Joint Venture as well as any economic benefits and losses derived from the utilization of the access ways and open spaces of the joint venture property shall be proportional to the respective financial contributions made by each party. However, considering the percentage shareholdings of each party to the JV Agreement and the agreement on quorum and voting, multiple combinations of parties could collectively control the arrangement.

Information about the Group's investment in associates and joint ventures is disclosed in Note 10.

Determination of Whether Non-controlling Interest is Material for Purposes of PFRS 12, Disclosures of Interests in Other Entities. PFRS 12 requires an entity to disclose certain information, including summarized financial information, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity. The Parent Company has determined First Gen and Rockwell Land Corporation (Rockwell Land) as material partly-owned subsidiaries. These are material for purposes of providing the required disclosures under PFRS 12. First Gen and Rockwell Land are one of the reportable segments of the Group with significant assets and liabilities relative to the consolidated total assets and consolidated total liabilities. Also, dividends attributable to the NCI are considered significant relative to the total dividends declared by the Group in the current and prior years (see Notes 5 and 20).

Revenue from Contracts with Customers. The Group applied the following significant judgments in assessing the amount and timing of revenue from contracts with customers in accordance with the requirements of PFRS 15:

1. *Sale of Electricity*

   a. Identifying performance obligations

      The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

      The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if:

      - each distinct good or services in the series are transferred over time; and
      - the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

      For PPAs, PSAs and ancillary services containing several promises such as capacity and energy dispatched which are separately identified, these obligations are combined and considered as one (1) performance obligation since these are not distinct within the context of the agreements as the buyer cannot benefit from these services on its own without contracting the operations of the power plants. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer.

      Retail electricity supply also qualifies as a series of distinct goods or services which is accounted for as one performance obligation since the delivery of energy every month are distinct services.

   b. Allocation of variable consideration

      Variable consideration may be attributable to the entire contract or to a specific part of the contract. For PPAs (upon scoping out of PFRS 16), PSAs, ancillary services, and retail electricity supply, revenue streams which are considered as series of distinct goods or services that are substantially the same and have the same pattern of transfer, the Group allocates the variable amount that is no longer subject to constraint to the satisfied portion (i.e., month or actual electricity delivery) which forms part of the single performance obligation, and the monthly billing of the Group.

c. Timing of revenue recognition

The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Group concluded that revenue from contracts with customers are to be recognized over time, since customers simultaneously receives and consumes the benefits as the Group supplies power.

d. Identifying methods for measuring progress of revenue recognized over time

The Group determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

e. Determination of transaction price

The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, EDC recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. From 2021 to 2024, while waiting for ERC's approval of the adjusted FIT rates, management has assessed that the lower between the ERC approved 2020 FIT rates and the TransCo forecasted FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy (see Note 31).

2. *Sale of Real Estate*

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 reservation agreement, official receipts, quotation sheets and other documents, 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.

Collectability is also assessed by considering factors such as past history of the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs, after considering the impact of the coronavirus pandemic, if it would still support its current threshold of customers' equity before commencing revenue recognition. Management assessed that the historical cancellations and back-outs, despite the pandemic, still supports the Group's current threshold of customer's equity.

b. Revenue recognition method and timing of revenue recognition

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 to payment 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.

c. Identifying performance obligation

The Group has contracts to sell covering the sale of lots, house and lots, condominium unit and parking lot. The Group concluded that there is one performance obligation in these contracts because, the developer has the obligation to deliver the condominium unit and parking lot duly constructed in a specific lot and fully integrated into the serviced land in accordance with the approved plan. Included also in this performance obligation is the Group's service is to transfer the title of the real estate unit to the customer.

d. Consideration of significant financing component

Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

3. Sale of Contracts and Services

a. Identifying performance obligations in a bundled provision of a contract

The Group has construction contracts to design and/or build certain property according to the agreed contract. The Group concluded that there is only one performance obligation in these contracts which is the obligation to deliver the property after completion.

b. Determining the timing of satisfaction of contract services

The Group concluded that revenue for construction services is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group determined that output method is the best method in measuring progress of the construction services. Revenues from engineering and construction contracts are accounted for by the percentage of completion method wherein revenues are recognized based on the estimated stage of completion of individual contracts. The stage of completion is determined by a survey of the work performed by the quantity surveyor on the contract or by delivery events. Revenue from the sale of services is recognized when the services are performed. These policies require forecasts to be made of the outcomes of long-term construction and service contracts, which require assessment and judgment to be made on the recovery of pre-contract costs, charges on work scopes, contract programs and maintenance liabilities.

c. Principal versus agent considerations

The Group enters into contracts with subcontractor to perform the construction services with the customer. While there are contracts with subcontractors to perform the services, the Group is still primarily responsible for fulfilling the promise to the customer and determined that it is a principal in its revenue arrangements.

d. Determining method to estimate variable consideration and assessing the constraint

Certain construction contracts include a provision for delay liquidated damages. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the most likely amount method is the appropriate method in estimating the variable consideration for the construction services with delay liquidated damages. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are constrained based on its historical experience, business forecast and the current economic conditions.

e. Consideration of significant financing component in a contract

Generally, the Group receives short-term advances from its customers. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

4. Sale of Merchandise

The Group recognizes revenue over time or at a point in time depending on its evaluation of when the customer obtains control of the promised goods or services.

The Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Company's performance in transferring control of the projects to the customers. The progress of the performance obligation is determined based on the surveys of work performed by the Company's engineers.

Revenues from sale of goods is recognized at a point in time when control over the goods is transferred.

Financial Instruments

1. *Determination of business models for financial instruments.* The Group determines its business model at the level that best reflects how it manages groupings of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

   a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
   b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
   c. The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

   The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2. *Definition of default and credit-impaired financial assets.* The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

   a. *Quantitative criteria*

      - Installment contracts receivable
        - For individual customers - upon issuance of Final Notice of Cancellation (FNOC) when monthly payments are 120 days past due.
        - For corporate customers - when monthly payments are 30 days past due, and upon issuance of FNOC.

   b. *Qualitative criteria*

      The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

      - The customer is experiencing financial difficulty or is insolvent
      - The customer is in breach of financial covenant(s)
      - An active market for that financial assets has disappeared because of financial difficulties
      - Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
      - It is becoming probable that the customer will enter bankruptcy or other financial reorganization

   The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

3. *Significant increase in credit risk.* The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors.

   The Group's cash and cash equivalents and trade receivable are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

   Using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not other otherwise be fully reflected in its quantitative analysis on a timely basis.

   The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

   a. the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
   b. the criteria do not align with the point in time when an asset falls below an investment grade; and
   c. there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Applicability of PFRS 16, Leases on First Gen Group's PPAs and PSA. First Gen group has existing PPAs and PSA with customers (see Note 31). First Gen group evaluated its PPAs and PSA applying the requirements of PFRS 16. Management concluded that the arrangements do not contain a lease as the arrangements do not convey to the customers the right to control the use of the identified assets.

Applicability of IFRIC 12, Service Concession Arrangements on the GRESCs, WESCs and Solar Energy Service Contract (SESCs). An arrangement would fall under IFRIC 12 if the two (2) conditions below are met:

a. the grantor controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price; and
b. the grantor controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.

Based on management's judgment, the GRESCs, WESCs, and SESCs entered into by EDC are outside the scope of IFRIC 12 since EDC controls the significant residual interest in the properties (i.e., the estimated useful lives of the asset cession periods) at the end of the concession term through ownership.

Deferred Revenue on Stored Energy. Under EDC's addendum agreements with NPC, EDC has a commitment to NPC with respect to certain volume of stored energy that NPC may lift for a specified period, provided that EDC is able to generate such energy over and above the nominated energy for each given year in accordance with the related PPAs. EDC has made a judgment based on historical information that the probability of future liftings by NPC from the stored energy is not probable and accordingly, has not deferred any portion of the collected revenues. The stored energy commitments are, however, disclosed in Note 31 to the consolidated financial statements.

Transfers of Investment Properties. The Group has made transfers to (or from) investment properties after determining that there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner- occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment properties at the date of change in use.

Transfers of Property and Equipment. The Group has made transfers to real estate inventories and investment properties after determining that there is a change in use, evidenced by ending of owner-occupation. Transfers are made from property and equipment when, and only when, there is a change in use, evidenced by commencement of an operating lease to another party or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the property and equipment at the date of change in use.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial 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 described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Recoverability of Goodwill. As at December 31, 2024 and 2023, the Group's goodwill is allocated to the following CGUs (see Note 14):

Entity	CGU	**2024**	2023
Red Vulcan	EDC and subsidiaries	**₱45,218**	₱45,218
GCGI	Palinpinon and Tongonan power plant complex	**2,242**	2,242
FGHC*	Sta. Rita power plant complex	**526**	503
FG Hydro	Pantabangan - Masiway hydroelectric plants	**293**	293
MSA-PH	MSA	**178**	178
IBSI	IBSI	**21**	21
AEI	AEI	**5**	5
		₱48,483	₱48,460

**Changes in the carrying amount is due to the foreign exchange adjustment.*

Goodwill pertains to the business synergies achieved when the CGUs are acquired. Goodwill is tested for recoverability annually as at December 31 for Red Vulcan, FGHC, FG Hydro, EDC HKL, MSA, IBSI and AEI, and September 30 for GCGI, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

This requires an estimation of the value in use of the CGUs to which goodwill is allocated. Estimating value in use requires the Group to estimate the expected future cash flows from the CGUs and discounts such cash flows using weighted average cost of capital to calculate the present value of those future cash flows. With regards to the assessment of value in use, management believes that no reasonably possible change in any of the key assumptions would result to a materially different calculation.

The recoverable amounts have been determined based on value in use calculation using cash flow projections based on financial budgets approved by senior management covering the remaining term of the existing agreements. The pre-tax discount rates applied in cash flow projections and the growth rates used to extrapolate the cash flows beyond the remaining term of the existing agreements in 2024 and 2023 are summarized as follows:

	2024		2023	
Entity	**Pre-tax Discount Rates**	**Growth Rates**	Pre-tax Discount Rates	Growth Rates
Red Vulcan	**9.3%**	**3.5%**	9.8%	3.8%
GCGI/EDC HKL	**10.3%**	**5.6%**	10.3%–11.0%	5.6%
FGHC	**16.5%**	**2.6%**	13.6%	2.8%
FG Hydro	**10.6%**	**1.1%**	10.4%	1.2%

Following are the key assumptions used:

- Budgeted Gross Margins
  The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

- Discount Rates
  Discount rates reflect the current market assessment of the risk specific to each CGU. The discount rate is based on the average percentage of First Gen group's weighted average cost of capital. This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted.

- Growth Rates
  Cash flows beyond the remaining term are extrapolated using a determined constant growth rate to arrive at the terminal value of each CGU.

The Group recognized provision for impairment loss on goodwill amounting to ₱86 million in 2023 pertaining to the acquisition of the Hot Rock companies. No similar impairment loss was recognized in 2024 and 2022. The carrying values of goodwill as of December 31, 2024 and 2023 amounted to ₱48,483 million and ₱48,460 million, respectively (see Note 14).

Recoverability of Exploration and Evaluation Assets. Exploration and evaluation costs are recognized as assets in accordance with PFRS 6, *Exploration for and Evaluation of Mineral Resources*. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the expenditure may be associated with finding specific geothermal reserve.

The application of the Group's accounting policy for exploration and evaluation assets requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after the exploration and evaluation assets are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-off in the consolidated statement of income in the period when the new information becomes available.

The Group reviews the carrying values of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceeds their fair value.

The factors that the Group considers important which could trigger an impairment review of exploration and evaluation assets include the following:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of geothermal reserve in the specific area is neither budgeted nor planned;
- exploration for and evaluation of geothermal reserve in the specific area have not led to the discovery of commercially viable geothermal reserve and the Group decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Group determines impairment of projects based on the technical assessment of its resident scientists in various disciplines or based on management's decision not to pursue any further commercial development of its exploration projects.

In 2023, the Group recognized provision for impairment loss of exploration and evaluation cost amounting to ₱8 million. No provision for impairment of exploration and evaluation assets was recognized in 2024 and 2022.

As at December 31, 2024 and 2023, the carrying amount of capitalized exploration and evaluation costs amounted to ₱2,650 million and ₱2,151 million, respectively (see Note 15).

Revenue Recognition Method and Measure of Progress. The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of real estate revenue. This is generally driven by the buyer's commitment to pay and percentage of completion.

The Group's revenue from sale of real estate is recognized using the percentage-of-completion method. This is measured principally on the basis of the estimated completion of a physical proportion of the contract work.

The Group has set a certain percentage of collection over the total selling price in demonstrating the buyer's commitment to pay. The percentage is representative of the buyer's substantial investment (buyer's equity) that gives the buyer a stake in the project sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group.

Revenue from sale of real estate recognized over time amounted to ₱14,578 million, ₱11,949 million and ₱11,382 million in 2024, 2023 and 2022, respectively (see Note 21).

Legal Contingencies and Regulatory Assessments. As discussed in Note 32, several companies within the Group are involved in legal proceedings and regulatory assessments for national taxes. The estimation of the potential liability resulting from these tax assessments requires significant judgment by management. The inherent uncertainty over the outcome of these tax matters is brought about by the differences in the interpretation and application of the laws and tax rulings.

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments is consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at December 31, 2024 and 2023, management has developed an estimate of the probable cash outflow to settle these assessments and has recognized provision for these liabilities.

As allowed by PAS 37 no further disclosures were provided as this might prejudice the Group's position on this matter.

Measurement of ECL. ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the EIR. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the EIR.

Except for installment contracts receivable, the Group uses low credit risk operational simplification to identify whether the credit risk of financial assets has significantly increased.

- *Inputs, assumptions and estimation techniques.* The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the PD, LGD, and EAD, defined as follows:

  - *PD*

    The PD represents the likelihood of a customer defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

    The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the financial reporting date and future economic conditions that affect credit risk.

  - *LGD*

    LGD represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

  - *EAD*

    EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

    The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or the customer's borrowing rates.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the contractual repayments owed by the customer. Early repayment/refinance assumptions, when allowed, are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by project and by completion status.

- *General approach for cash and cash equivalents and short-term investments.* The Group recognizes a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in the consolidated statement of income as an impairment gain or loss. The Group uses external credit rating approach to calculate ECL for cash and cash equivalents, accounts receivable and receivable from ultimate parent. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. These information are widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.

- *Simplified approach for installment contract receivables and contract assets*. The Group, particularly Rockwell Land, uses vintage analysis to calculate ECLs for installment contracts receivable. The PD rates using vintage analysis are based on default counts of contract issuances in a given period for groupings of various customer segments that have similar loss patterns (i.e., individual, and corporate).

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

  The assessment of the relationship 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.

  There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

- *Incorporation of forward-looking information*. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

  The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a "base case" view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past one year and three months. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

- *Grouping of instruments for losses measured on collective basis.* For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. In performing this grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

  The Group grouped its installment contracts receivable for collective measurement into (i) individuals and (ii) corporate customers. No impairment losses were recognized for installment contracts receivable, recognized as trade receivables, in 2024 and 2023.

  Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group in accordance with externally available ratings.

  The total amount of provision for ECL recognized amounted to ₱413 million in 2024, ₱246 million in 2023 and ₱227 million in 2022 (see Notes 7 and 22). The aggregate carrying amount of the Group's trade and other receivables amounted to ₱36,544 million and ₱31,237 million as at December 31, 2024 and 2023, respectively (see Note 7).

Estimation of Asset Retirement and Preservation Obligations. The asset retirement and preservation obligations of the Group require assumptions and estimates in relation to the expected cost to rehabilitate and restore sites and infrastructure when such obligation exists. Such cost estimates are discounted using pre-tax rates which management assessed as reflective of current market assessments of the time value of money and the risks specific to the liability. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation.

These pertain to the following subsidiaries:

- FGP, FGPC, FNPC, FG Bukidnon and PMPC

  Under their respective ECCs issued by the Department of Environment and Natural Resources (DENR), FGP, FGPC, FNPC and PMPC have legal obligations to dismantle their power plant assets at the end of their useful lives. FG Bukidnon, on the other hand, has a contractual obligation under the lease agreement with HSC to dismantle its power plant assets at the end of the useful lives. The asset retirement obligations recognized represent the best estimate of the expenditures required to dismantle the power plants at the end of their useful lives. Such cost estimates are discounted using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability. Each year, the asset retirement obligations are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being recognized under the "Finance costs" account in the consolidated statement of income. While it is believed that the assumptions used in the estimation of such costs are reasonable, significant changes in these assumptions may materially affect the recorded expense or obligations in future years.

In 2009, with the conversion of its Geothermal Service Contracts (GSCs) to GRESCs, EDC has made a judgment that the GRESCs are subject to the provision for restoration costs. Similarly, under the WESC, EBWPC has made a judgment that it is responsible for the removal and the disposal of all materials, equipment and facilities installed in the contract area used for the wind energy project. In determining the amount of provisions for rehabilitation and restoration costs, assumptions and estimates are required in relation to the expected cost to rehabilitate and restore sites and infrastructure when such obligation exists (see Note 31).

First Gen group, in particular, adjusted its asset retirement obligation and recognized addition to asset retirement obligations amounting to ₱69 million and ₱224 million in 2024 and 2023, respectively. The revision in estimate was mainly attributable to changes in estimated cash flows and discount rates (see Notes 12 and 19).

- FPIC

  The APO of FPIC represents the best estimate of the expenditures required to preserve the assets similar with the requirement of asset retirement obligation. Asset retirement and preservation obligations amounted to ₱745 million as at December 31, 2024 and 2023 (see Note 19).

The Group's asset retirement and preservation obligations amounted to ₱4,027 million and ₱3,798 million as at December 31, 2024 and 2023, respectively (see Note 19).

Determination of Fair Value of Financial Instruments. The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates and volatility rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect the consolidated statement of income and the consolidated statement of changes in equity (see Note 30).

Where the fair values of certain financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. Judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

Fair values of the Group's financial instruments are presented in Note 30 of the consolidated financial statements.

Estimation of Liability from Shortfall Generation. EDC's Unified Leyte PPA with NPC requires the annual nomination of capacity that EDC shall deliver to NPC. On a monthly basis, EDC bills a uniform capacity to NPC based on the nominated energy. At the end of the contract year, EDC's fulfillment of the nominated capacity and the parties' responsibilities for any shortfall shall be determined. On the other hand, the PPAs for Mindanao I and II provide a minimum offtake energy which EDC shall meet each contract year. The contract year for the Unified Leyte PPA is for fiscal period ending July 25, while the contract year for the Mindanao I and II PPAs is for fiscal period ending December 25 (see Note 31). Assessment is made at every financial reporting date whether the nominated capacity or minimum offtake energy would be met based on management's projection of electricity generation covering the entire contract year. If the occurrence of shortfall generation is determined to be probable, the amount of estimated reimbursement to NPC is accounted for as a reduction to revenue for the period and a corresponding liability to NPC is recognized. As at December 31, 2024 and 2023, EDC's estimated liability arising from shortfall generation amounted to ₱1,434 million and ₱1,584 million, respectively, are shown as part of "Trade payables and other current liabilities" account (see Note 17).

Moreover, the amount of estimations relating to the shortfall generation under the PPAs covering Unified Leyte may be subsequently adjusted depending on the subsequent reconciliation by the Technical or Steering Committee established in accordance with the Unified Leyte PPA in view of the parties' responsibilities in connection with the consequences of typhoons and similar events. As at March 27, 2025, the reconciliation with NPC for certain contract years is still ongoing.

Impairment of Non-financial Assets (i.e., Investments in Associates and Joint Ventures, Property, Plant and Equipment, Investment Properties, Intangible Assets (Excluding Goodwill), Prepaid Major Spare Parts and Input VAT Claims/Tax Credits). The Group assesses impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group consider important, which could trigger an impairment review include the following:

- significant under-performance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry and economic trends.

The Group assesses whether there are any indicators of impairment for all non-financial assets at each financial reporting date. The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use approach. Recoverable amount is estimated for an individual asset or, if it is not possible, for the cash-generating unit to which the asset belongs. In the case of input VAT recorded as "Prepaid expenses" under "Other noncurrent assets" account, where the collection of tax claims is uncertain, the Group provides an allowance for impairment based on the assessment of management and the Group's legal counsel. Total allowance for non-recoverability of input VAT amounted to ₱1,796 million and ₱1,405 million as at December 31, 2024 and 2023, respectively (see Note 15).

The carrying amounts of the non-financial assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(In Millions)	
Property, plant and equipment (Note 12)	**₱193,357**	₱159,008
Investment properties (Note 13)	**23,415**	22,854
Intangible assets on acquired O&M Agreements (Note 14)	**18,341**	–
Right-of-use assets (Notes 15, 27 and 31)	**11,538**	13,677
Input VAT (Notes 9 and 15)	**11,053**	9,353
Investments in joint ventures (Note 10)	**6,379**	6,707
Prepaid expenses (Notes 9 and 15)	**5,849**	5,224
Advances to contractors and suppliers (Notes 9 and 15)	**4,867**	4,296
Advances to landowners (Note 15)	**3,771**	3,201
Prepaid major spare parts (Note 15)	**3,539**	4,420
CWTs (Notes 9 and 15)	**2,049**	2,802
Water rights (Note 14)	**662**	758
TCCs (Notes 9 and 15)	**208**	221
Other intangible assets (Note 14)	**129**	126
Investments in associates (Note 10)	**23**	853
Right-to-use transmission line (Note 14)	**5**	11
Pipeline rights (Note 14)	**–**	24
Concession rights for contracts acquired (Note 14)	**–**	5
	₱285,185	₱233,540

Estimation of Retirement Benefit Liabilities. The cost of defined benefit retirement plans and other post-employment medical and life insurance benefits are determined using the projected unit credit method of actuarial valuation. An actuarial valuation involves making assumptions. These include the determination of the discount rates, future salary increases and medical trend rates, future salary increases, mortality and disability rates and employee turnover rates. While the assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in the assumptions may materially affect the retirement benefit obligation. Due to the long- term nature of these plans, such estimates are subject to significant uncertainty.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at financial reporting date. The details of the assumptions used in the calculation and the information on net retirement benefit liabilities are discussed and presented in Note 24.

Recognition of Deferred Tax Assets. The carrying amounts of deferred tax assets at each financial reporting date are reviewed and reduced to the extent that there is no longer sufficient future taxable income available to allow all or part of the deferred tax assets to be utilized. The Group's assessment of the recognition of deferred tax assets on deductible temporary differences, carryforward benefits of MCIT and unused NOLCO is based on the forecasted taxable income of the following reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses.

As at December 31, 2024 and 2023, the amount of gross deferred tax assets recognized in the consolidated statements of financial position amounted to ₱2,107 million and ₱2,121 million, respectively (see Note 25). Deductible temporary differences and carryforward benefits of NOLCO and MCIT for which no deferred tax asset has been recognized as at December 31, 2024 and 2023 amounted to ₱22,432 million and ₱18,722 million, respectively (see Note 25).

4. Operating Segment Information

Operating segments are components of the Group (a) that engage in business activities from which they may earn revenues and incur expenses; (b) with operating results which are regularly reviewed by the Group's CODM to make decisions about how resources are to be allocated to the segment and assess their performances; and (c) for which discrete financial information is available.

The Group's operating businesses are organized and managed separately according to the nature of the products and services, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's identified operating segments, consistent with the segments reported to the CODM of the Group are as follows:

- Power generation - power generation subsidiaries under First Gen
- Real estate development - residential and commercial real estate development and leasing of Rockwell Land and sale of industrial lots and leasing of ready-built factories by FPIP and FITI
- Energy Solutions - Pi Energy, FPIEC and FPI
- Construction and other services - construction, geothermal well drilling, oil transporting, healthcare product services, education, investment holdings, financing and others

Except for the recurring net income (RNI), the segment information disclosed below are based on PFRS Accounting Standards, as modified by the application of financial reporting reliefs issued and approved by the Philippine SEC in response to the COVID-19 pandemic.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment revenue, segment expenses and segment performance include transfers between business segments. Such transfers are eliminated in consolidation.

The operations of these business segments are substantially in the Philippines. First Gen's revenues are substantially generated from sale of electricity to Meralco, the sole customer of FGP, FGPC and FNPC (until February 2024); while close to 3.1% in 2024, 2.7% in 2023 and 16.9% in 2022 of EDC's total revenues are derived from its then existing long-term PPAs with NPC. FPI's revenues are also substantially generated from its sale of transformer equipment to Meralco.

Statements of Income

2024	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
			(in Millions)			
Revenues:						
External sales	₱137,337	₱19,132	₱5,663	₱4,978	₱–	₱167,110
Inter-segment sales	–	–	–	11,212	(11,212)	–
Equity in net earnings of associates and joint ventures	(26)	381	–	14,982	(15,034)	303
Total revenues	137,311	19,513	5,663	31,172	(26,246)	167,413
Costs and expenses	(93,202)	(13,016)	(4,182)	(15,012)	10,653	(114,759)
Depreciation and amortization	(15,907)	(1,148)	(105)	(1,158)	317	(18,001)
Finance costs	(6,511)	(1,869)	(47)	(964)	–	(9,391)
Finance income	1,665	534	45	110	–	2,354
Foreign exchange gains (losses) - net	362	(13)	47	64	–	460
Other income - net	256	1,582	12	2,003	(673)	3,180
Income before income tax	23,974	5,583	1,433	16,215	(15,949)	31,256
Provision for income tax	4,709	1,257	275	364	(94)	6,511
Net income	₱19,265	₱4,326	₱1,158	₱15,851	(₱15,855)	₱24,745

2023	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
			(in Millions)			
Revenues:						
External sales	₱137,691	₱16,184	₱5,368	₱5,709	₱–	₱164,952
Inter-segment sales	–	–	–	4,838	(4,838)	–
Equity in net earnings of associates and joint ventures	(28)	464	–	15,361	(15,441)	356
Total revenues	137,663	16,648	5,368	25,908	(20,279)	165,308
Costs and expenses	(94,289)	(12,383)	(4,067)	(10,644)	4,690	(116,693)
Depreciation and amortization	(12,767)	(994)	(68)	(929)	277	(14,481)
Finance costs	(5,527)	(1,700)	(27)	(853)	–	(8,107)
Finance income	1,881	2,054	40	143	–	4,118
Foreign exchange gains (losses) - net	9	(4)	(10)	(12)	–	(17)
Other income – net	2,536	919	11	1,839	(689)	4,616
Income before income tax	29,506	4,540	1,247	15,452	(16,001)	34,744
Provision for income tax	4,508	913	232	91	(56)	5,688
Net income	₱24,998	₱3,627	₱1,015	₱15,361	(₱15,945)	₱29,056

2022	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
			(in Millions)			
Revenues:						
External sales	₱144,133	₱14,823	₱4,838	₱6,544	₱–	₱170,338
Inter-segment sales	–	–	–	3,982	(3,982)	–
Equity in net earnings of associates and joint ventures	(11)	376	–	13,076	(13,008)	433
Total revenues	144,122	15,199	4,838	23,602	(16,990)	170,771
Costs and expenses	(103,592)	(12,085)	(3,586)	(9,744)	3,586	(125,421)
Depreciation and amortization	(11,732)	(1,035)	(71)	(1,020)	246	(13,612)
Finance costs	(4,752)	(1,266)	(15)	(460)	–	(6,493)
Finance income	498	1,478	9	52	–	2,037
Foreign exchange gains (losses) - net	(87)	16	103	61	–	93
Other income - net	610	1,320	9	1,606	(705)	2,840
Income before income tax	25,067	3,627	1,287	14,097	(13,863)	30,215
Provision for income tax	5,095	826	266	216	(62)	6,341
Net income	₱19,972	₱2,801	₱1,021	₱ 13,881	(₱13,801)	₱23,874

Group and segment performance are evaluated based on net income and RNI. Net income is measured consistently with net income in the consolidated statements of income, while RNI is measured as net income attributable to equity holders of the parent adjusted for the Parent Company's share in gains or losses arising from unrealized foreign exchange translations, mark-to-market restatements, asset impairment or recovery, and other nonrecurring transactions.

The following table shows the computation of RNI:

	2024	2023	2022
		(in Millions)	
Net income attributable to equity holders of the Parent	**₱14,316**	₱15,066	₱12,676
Add (deduct) share of equity holders of the Parent in nonrecurring items:			
Foreign exchange gain - net	**(297)**	(5)	(71)
Gain on bargain purchase and remeasurement	**(199)**	–	–
Proceeds from insurance claims (Note 23)	**(120)**	(1,253)	(255)
Movement in deferred income tax	**84**	(151)	191
Provisions for asset impairment	**–**	93	–
COVID-19 pandemic-related expenses	**–**	3	224
Other nonrecurring transactions	**(29)**	48	19
	₱13,755	₱13,801	₱12,784

Other financial information of the business segments are as follows:

Statements of Financial Position

	As at December 31, 2024					
	Power Generation	**Real Estate Development**	**Energy Solutions**	**Construction and Other Services**	**Eliminations**	**Consolidated**
			(in Millions)			
Current assets	**₱91,724**	**₱51,752**	**₱4,002**	**₱19,611**	**(₱3,704)**	**₱163,385**
Noncurrent assets	**289,747**	**39,354**	**2,108**	**198,790**	**(166,446)**	**363,553**
Total assets	**₱381,471**	**₱91,106**	**₱6,110**	**₱218,401**	**(₱170,150)**	**₱526,938**
Current liabilities	**₱63,218**	**₱16,964**	**₱3,023**	**₱16,368**	**(₱5,141)**	**₱94,432**
Noncurrent liabilities	**118,739**	**32,700**	**526**	**12,825**	**(3,256)**	**161,534**
Total liabilities	**₱181,957**	**₱49,664**	**₱3,549**	**₱29,193**	**(₱8,397)**	**₱255,966**
Other disclosures:						
Investments in associates and joint ventures	**₱1,142**	**₱5,175**	**₱32**	**₱53**	**₱–**	**₱6,402**
Goodwill and intangible assets	**67,422**	**–**	**–**	**–**	**198**	**67,620**
Additions to:						
Property, plant and equipment	**40,754**	**888**	**208**	**3,545**	**(842)**	**44,553**
Investment properties	**–**	**1,682**	**–**	**194**	**–**	**1,876**
Exploration and evaluation assets	**493**	**–**	**–**	**–**	**–**	**493**

	As at December 31, 2023					
	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
			(in Millions)			
Current assets	₱103,683	₱48,798	₱3,478	₱15,161	(₱4,295)	₱166,825
Noncurrent assets	235,550	35,549	1,635	180,617	(148,001)	305,350
Total assets	₱339,233	₱84,347	₱5,113	₱195,778	(₱152,296)	₱472,175
Current liabilities	₱71,387	₱14,980	₱2,268	₱11,684	(₱4,224)	₱96,095
Noncurrent liabilities	85,063	31,142	863	13,572	546	131,186
Total liabilities	₱156,450	₱46,122	₱3,131	₱25,256	(₱3,678)	₱227,281
Other disclosures:						
Investments in associates and joint ventures	₱1,225	₱6,217	₱13	₱105	₱–	₱7,560
Goodwill and intangible assets	49,186	–	–	–	198	49,384
Additions to:						
Property, plant and equipment	21,972	724	276	1,457	(262)	24,167
Investment properties	–	895	–	88	–	983
Exploration and evaluation assets	116	–	–	–	–	116

	As at December 31, 2022					
	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Eliminations	Consolidated
						(in Millions)
Current assets	₱88,842	₱47,361	₱2,627	₱16,067	(₱3,464)	₱151,433
Noncurrent assets	210,889	32,615	1,329	159,677	(134,484)	270,026
Total assets	₱299,731	₱79,976	₱3,956	₱175,744	(₱137,948)	₱421,459
Current liabilities	₱54,519	₱15,647	₱1,963	₱8,897	(₱3,440)	₱77,586
Noncurrent liabilities	80,199	30,980	56	14,281	887	126,403
Total liabilities	₱134,718	₱46,627	₱2,019	₱23,178	(₱2,553)	₱203,989
Other disclosures						
Investments in associates and joint ventures	₱1,265	₱6,368	₱13	₱140	₱–	₱7,786
Goodwill and intangible assets	49,446	–	–	2	21	49,469
Additions to:						
Property, plant and equipment	13,502	1,482	106	1,099	(421)	15,768
Investment properties	–	1,498	–	170	–	1,668
Exploration and evaluation assets	72	–	–	–	–	72

5. Subsidiaries and Significant Acquisitions

The consolidated financial statements comprise the financial statements of FPH and the following subsidiaries.

		2024		2023		2022	
	Place of Incorporation	**Percentage of Ownership held by the Group**					
Subsidiaries	and Operation	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Power Generation							
First Gen Corporation (First Gen)	Philippines	**67.84**	**–**	67.84	–	67.84	–
First Gen Subsidiaries (held by First Gen)							
First Gen Renewables, Inc. (FGRI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FG Bukidnon Power Corp. (FG Bukidnon)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Unified Holdings Corporation (Unified)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGP Corp. (FGP)	Philippines	**–**	**100.00**	–	100.00	–	100.00
AlliedGen Power Corporation (AlliedGen)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First NatGas Power Corp. (FNPC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Mindanao Hydro Power Corporation (FG Mindanao)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Northern Mindanao Holdings, Inc. (FNMHI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Bubunawan Hydro Corporation (FG Bubunawan)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Cabadbaran Hydro Corporation (FG Cabadbaran)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Puyo Hydro Corporation (FG Puyo)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FG Mindanao Renewables Corp. (FMRC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Tagoloan Hydro Corporation (FG Tagoloan)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Tumalaong Hydro Corporation (FG Tumalaong)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Ecopower Solutions, Inc. (FG Ecopower)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Energy Solutions, Inc. (FGES)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Prime Energy Corporation (FG Prime)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Visayas Energy, Inc. (FG Visayas Energy)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Northern Terracotta Power Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
Blue Vulcan Holdings Corporation (Blue Vulcan)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Prime Meridian Powergen Corporation (Prime Meridian)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Goldsilk Holdings Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
Dualcore Holdings, Inc.	Philippines	**–**	**100.00**	–	100.00	–	100.00
Onecore Holdings, Inc.	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gas Holdings Corporation (FGHC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gas Power Corporation (FGPC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gas Pipeline Corporation (FG Pipeline)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGLand Corporation (FG Land)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGEN LNG Corporation (FGEN LNG)	Philippines	**–**	**100.00**	–	100.00	–	100.00

(Forward)

Subsidiaries	Place of Incorporation and Operation	2024 Direct	2024 Indirect	2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
		Percentage of Ownership held by the Group					
First Gen LNG Holdings Corporation (LNG Holdings)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Meridian Holdings, Inc. (FGEN Meridian)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Northern Power Corp. (FGEN Northern Power)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Power Ventures, Inc. (FGEN Power Ventures)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen San Isidro Hydro Power Corporation (FGEN San Isidro)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Green Vehicles, Inc. (FG Vehicles)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Eco Solutions Holdings, Inc. (FGESHI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Liquefied Natural Gas Holdings, Inc. (Liquefied Holdings)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Reliable Energy Holdings, Inc. (FG Reliable Energy)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Power Solutions, Inc. (FG Power Solutions)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Vibrant Blue Sky Holdings, Inc. (FGVBSHI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Aqua Power Holdings, Inc. (FG Aqua Power)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Gen Hydro Power Corporation (FG Hydro)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Natural Gas Supply, Inc. (FGen NatGas Supply)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Power Operations, Inc. (FPOI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen Fuel Line Systems, Inc. (FGen Fuel Line)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Prime Terracota Holdings Corporation (Prime Terracota)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Fresh River Lakes Corp. (FRLC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FGen SG	Singapore	**–**	**100.00**	–	100.00	–	100.00
First Gen Integrated Business Services Inc. (FGB)	Philippines	**–**	**100.00**	–	–	–	–
Red Vulcan Holdings Corporation (Red Vulcan)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Energy Development Corporation (EDC)[1]	Philippines	**–**	**64.00**	–	64.00	–	64.00
EDC Geothermal Corp. (EGC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Green Core Geothermal Inc. (GCGI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Bac-Man Geothermal Inc. (BGI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Unified Leyte Geothermal Energy Inc. (ULGEI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Bac-Man Energy Development Corporation (BEDC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Wind Energy Holdings, Inc. (EWEHI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Burgos Wind Power Corporation (EBWPC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Pagudpud Wind Power Corporation (EPWPC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Bayog Burgos Power Corporation (EBBPC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Pagali Burgos Wind Power Corporation (EPBWPC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Iloilo 1 Renewable Energy Corporation (I1REC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Bright Solar Energy Holdings, Inc. (EBSEHI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Siklab Power Corporation (EDC Siklab)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Sinag Power Corporation (Sinag)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Wind Energy Holdings 2 Inc. (EWEHI2)	Philippines	**–**	**100.00**	–	100.00	–	100.00
EDC Chile Limitada	Santiago, Chile	**–**	**100.00**	–	100.00	–	100.00
EDC Holdings International Limited (EHIL)	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
Energy Development Corporation Hong Kong International Investment Limited (EDC HKIIL)	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
EDC Hong Kong Limited (EDC HKL)	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
EDC Chile Holdings SpA	Santiago, Chile	**–**	**100.00**	–	100.00	–	100.00
EDC Geotermica Chile SpA	Santiago, Chile	**–**	**100.00**	–	100.00	–	100.00
EDC Peru Holdings S.A.C	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Geotermica S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
Geotermica Chocopata Peru S.A.C.	Lima, Peru	**–**	**70.00**	–	70.00	–	70.00
Energy Development Corporation Peru S.A.C	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
Geotermica Andina S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Geotermica Peru S.A.C	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Peru S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Geotermica Del Sur S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Energia Azul S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
Geothermica Crucero Peru S.A.C.	Lima, Peru	**–**	**70.00**	–	70.00	–	70.00
EDC Energía Perú S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00

(Forward)

[1]*This pertains to First Gen's voting interest at EDC. First Gen's economic interest in EDC is 45.8% as of December 31, 2024, 2023 and 2022.*

Subsidiaries	Place of Incorporation and Operation	**2024** Direct	**2024** Indirect	2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
		Percentage of Ownership held by the Group					
Geothermica Tutupaca Norte Peru S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Energía Geotérmica S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Progreso Geotérmica Perú S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
Geothermica Loriscota Peru S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Energía Renovable Perú S.A.C.	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
Geotermica Pinchollo Libre Peru S.A.C	Lima, Peru	**–**	**100.00**	–	100.00	–	100.00
EDC Soluciones Sostenibles Ltd	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
EDC Energia Verde Chile SpA	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
EDC Energia de la Tierra SpA	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
EDC Desarollo Sostenible Ltd	British Virgin Islands	**–**	**100.00**	–	100.00	–	100.00
EDC Energia Verde Peru SAC	Lima, Peru	**–**	**100.00**	–	100.00		100.00
PT EDC Indonesia	Jakarta Pusat, Indonesia	**–**	**95.00**	–	95.00	–	95.00
PT EDC Panas Bumi Indonesia	Jakarta Pusat, Indonesia	**–**	**95.00**	–	95.00	–	95.00
Batangas Cogeneration Corporation (Batangas Cogen)	Philippines	**60.00**	**–**	60.00	–	60.00	–
Energy Solutions							
First Philippine Electric Corporation (First Philec)	Philippines	**100.00**	**–**	100.00	–	100.00	–
First Philec Inc. (FPI) (formerly FEDCOR)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Philippine Power Systems, Inc. (FPPSI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Philec Manufacturing Technologies Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
First PV Ventures Corporation (First PV)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Philec Nexolon Corporation (FPNC)	Philippines	**–**	**70.00**	–	70.00	–	70.00
First Philec Solar Solutions Corporation (FPSSC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Philippine Electric Corporation (PHILEC)	Philippines	**–**	**99.15**	–	99.15	–	99.15
First Philec Solar Corporation (FPSC)	Philippines	**–**	**89.04**	–	89.04	–	89.04
First Philec Energy Solutions, Inc. (FPESI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Real Estate Development							
First Philippine Realty Development Corporation (FPRDC)	Philippines	**100.00**	**–**	100.00	–	100.00	–
First Philippine Realty Corporation (FPRC)	Philippines	**100.00**	**–**	100.00	–	100.00	–
First Philippine Properties Corporation (FPPC)	Philippines	**100.00**	**–**	100.00	–	100.00	–
FPPC Subsidiaries (held by FPPC)							
FPH Land Venture, Inc. (FLVI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Terraprime, Inc. (Terraprime)	Philippines	**–**	**66.67**	–	66.67	–	66.67
First Industrial Township Utilities, Inc. (FITUI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Philippine Development Corp. (FPDC)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FWV Biofields Corp. (FWVB)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Sumiden Realty, Inc. (FSRI)	Philippines	**–**	**60.00**	–	60.00	–	60.00
Legacy Homes Inc.	Philippines	**–**	**100.00**	–	100.00		100.00
FPHC Realty and Development Corporation	Philippines	**98.00**	**–**	98.00	–	98.00	–
Rockwell Land Corporation (Rockwell Land) (see Note 10)	Philippines	**86.58**	**–**	86.58	–	86.58	–
Rockwell Land Subsidiaries (held by Rockwell Land)							
Rockwell Integrated Property Services, Inc.	Philippines	**–**	**100.00**	–	100.00	–	100.00
Rockwell Primaries Development Corporation (Rockwell Primaries)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Rockwell Hotels & Leisure Management Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
Stonewell Property Development Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
Rockwell Performing Arts Theater Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
Rockwell Leisure Club, Inc. (Rockwell Club)	Philippines	**–**	**74.70**	–	74.70	–	75.00
Rockwell Primaries South Development Corporation (Rockwell Primaries South)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Rockwell MFA Corp. (Rock MFA)	Philippines	**–**	**80.00**	–	80.00	–	80.00
Retailscapes, Inc. (Retailscapes)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Rockwell Carmelray Development Corporation (RCDC)	Philippines	**–**	**70.00**	–	70.00	–	71.60
Rockwell GMC Development Corporation (RGDC)[2]	Philippines	**–**	**60.00**	–	60.00	–	–
Rockwell Nepo Development Corporation (RNDC)[3]	Philippines	**–**	**65.00**	–	38.49	–	–

(Forward)

[2] *A Rockwell Land subsidiary that was incorporated in 2023*
[3] *Became a subsidiary of Rockwell Land through step acquisition in January 2024 (see Notes 10 and 20)*

Subsidiaries	Place of Incorporation and Operation	**2024**		2023		2022	
		Percentage of Ownership held by the Group					
		Direct	**Indirect**	Direct	Indirect	Direct	Indirect
First Philippine Industrial Park, Inc. (FPIP)	Philippines	**70.00**	**–**	70.00	–	70.00	–
FPIP Subsidiaries (held by FPIP)							
FPIP Property Developers and Management Corporation	Philippines	**–**	**100.00**	–	100.00	–	100.00
FPIP Utilities, Inc.	Philippines	**–**	**100.00**	–	100.00	–	100.00
Grand Batangas Resort Development, Inc.	Philippines	**–**	**85.00**	–	85.00	–	85.00
First Industrial Township, Inc. (FITI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Industrial Township Water, Inc. (FITWI)	Philippines	**–**	**100.00**	–	100.00	–	100.00
FPIP Commercial Properties Inc. (FPCI)	Philippines	**–**	**100.00**	–	–	–	–
First Batangas Hotel Corporation (FBHC)	Philippines	**57.67**	**–**	57.67	–	57.67	–
Construction							
First Balfour, Inc. (First Balfour)	Philippines	**100.00**	**–**	100.00	–	100.00	–
First Balfour Subsidiaries (held by First Balfour)							
ThermaPrime Drilling Corporation (ThermaPrime)	Philippines	**–**	**100.00**	–	100.00	–	100.00
Therma One Transport Corp.	Philippines	**–**	**100.00**	–	100.00	–	100.00
Thermafina Towage, Inc.	Philippines	**–**	**100.00**	–	100.00	–	100.00
Torreverde Corp.	Philippines	**–**	**100.00**	–	100.00	–	100.00
First Balfour Management Technical Services, Inc.	Philippines	**–**	**100.00**	–	100.00	–	100.00
Others							
First Philippine Utilities Corporation	Philippines	**100.00**	–	100.00	–	100.00	–
Securities Transfer Services, Inc.	Philippines	**100.00**	–	100.00	–	100.00	–
FPH Capital Resources, Inc.	Philippines	**100.00**	–	100.00	–	100.00	–
FGHC International	Cayman Islands	**100.00**	–	100.00	–	100.00	–
FPH Fund	Cayman Islands	**100.00**	–	100.00	–	100.00	–
FPH Ventures	Cayman Islands	**100.00**	–	100.00	–	100.00	–
FPIEC	Philippines	**100.00**	–	100.00	–	100.00	–
First Industrial Science and Technology College, Inc.	Philippines	**100.00**	–	100.00	–	100.00	–
First Philippine Industrial Corporation (FPIC)	Philippines	**100.00**	–	100.00	–	100.00	–
AEI	Philippines	**82.78**	–	76.89	–	76.89	–
Pi Health Inc.	Philippines	**100.00**	–	100.00	–	100.00	–
Pi Energy Inc.	Philippines	**100.00**	–	100.00	–	100.00	–
FPH Pi Ventures Inc.	Colorado, USA	**100.00**	–	100.00	–	100.00	–
IBSI	Philippines	**66.92**	–	66.92	–	66.92	–
Pi Health Manufacturing and Distribution Services, Inc. (PHMDSI)	Philippines	**100.00**	–	100.00	–	100.00	–
MSA-PH	Philippines	**100.00**	–	100.00	–	–	–

The financial information of subsidiaries that have material non-controlling interests is provided below.

	As at December 31				As at December 31		For the years ended December 31		
	2024		2023		**2024**	2023	**2024**	2023	2022
	Proportion of ownership interest and voting rights held by non-controlling interest								
Subsidiaries	**Economic**	**Voting**	**Economic**	**Voting**	**Non-controlling interest**		**Profit allocated to non-controlling interest**		
	(In Percentages)				*(In Millions)*				
First Gen:									
Common stocks	**32.16**	**32.16**	32.16	32.16	**₱39,696**	₱34,603	**₱3,224**	₱7,396	₱3,274
Series “G” Preferred stocks	**–**	**–**	–	–	**–**	–	**–**	–	235
Rockwell Land	**13.42**	**13.20**	13.42	13.20	**5,413**	4,295	**406**	287	292

The summarized financial information of the material subsidiaries are provided below.

Summarized statements of financial position as at December 31:

	2024		2023	
	First Gen	**Rockwell Land**	First Gen	Rockwell Land
	(In Millions)			
Current assets	**₱91,724**	**₱48,576**	₱103,684	₱44,866
Noncurrent assets	**289,749**	**33,171**	235,549	29,731
Total Assets	**₱381,473**	**₱81,747**	₱339,233	₱74,597

(Forward)

	2024		2023	
	First Gen	**Rockwell Land**	First Gen	Rockwell Land
		(In Millions)		
Current liabilities	**₱63,217**	**₱15,066**	₱71,387	₱13,071
Noncurrent liabilities	**118,740**	**30,869**	85,063	29,231
Total Liabilities	**181,957**	**45,935**	156,450	42,302
Total Equity	**199,516**	**35,812**	182,783	32,295
Total Liabilities and Equity	**₱381,473**	**₱81,747**	₱339,233	₱74,597

Equity attributable to:				
Equity holders of the Parent Company	**₱159,820**	**₱30,398**	₱148,180	₱28,000
Non-controlling interest	**39,696**	**5,414**	34,603	4,295
	₱199,516	**₱35,812**	₱182,783	₱32,295

Summarized statements of comprehensive income:

	For the Years Ended December 31								
	2024			2023			2022		
	First Gen	**Rockwell Land**	**Total**	First Gen	Rockwell Land	Total	First Gen	Rockwell Land	Total
					(In Millions)				
Revenues	**₱139,596**	**₱20,672**	**₱160,268**	₱141,934	₱18,977	₱160,911	₱145,222	₱16,901	₱162,123
Expenses	**(115,619)**	**(15,372)**	**(130,991)**	(112,426)	(14,653)	(127,079)	(120,156)	(13,509)	(133,665)
Income before tax	**23,977**	**5,300**	**29,277**	29,508	4,324	33,832	25,066	3,392	28,458
Provision for income tax	**(4,709)**	**(1,187)**	**(5,896)**	(4,507)	(924)	(5,431)	(5,095)	(798)	(5,893)
Net income	**19,268**	**4,113**	**23,381**	25,001	3,400	28,401	19,971	2,594	22,565
Other comprehensive income (loss)	**(7,882)**	**(55)**	**(7,937)**	215	(70)	145	(9,588)	127	(9,461)
Total comprehensive income	**₱11,386**	**₱4,058**	**₱15,444**	₱25,216	₱3,330	₱28,546	₱10,383	₱2,721	₱13,104
Attributable to:									
Equity holders of the Parent Company	**₱8,162**	**₱3,652**	**₱11,814**	₱17,820	₱3,043	₱20,863	₱7,109	₱2,429	₱9,538
Non-controlling interest	**3,224**	**406**	**3,630**	7,396	287	7,683	3,274	292	3,566
	₱11,386	**₱4,058**	**₱15,444**	₱25,216	₱3,330	₱28,546	₱10,383	₱2,721	₱13,104

Summarized statements of cash flows:

	For the Years Ended December 31								
	2024			2023			2022		
	First Gen	**Rockwell Land**	**Total**	First Gen	Rockwell Land	Total	First Gen	Rockwell Land	Total
					(In Millions)				
Operating activities	**₱40,059**	**₱47**	**₱40,106**	₱41,612	₱3,643	₱45,255	₱36,058	₱4,693	₱40,751
Investing activities	**(68,513)**	**(529)**	**(69,042)**	(19,786)	(522)	(20,308)	(15,597)	144	(15,453)
Financing activities	**11,230**	**218**	**11,448**	(13,057)	(2,387)	(15,444)	(15,358)	(4,104)	(19,462)
Net increase (decrease) in cash and cash equivalents	**(₱17,224)**	**(₱264)**	**(₱17,488)**	₱8,769	₱734	₱9,503	₱5,103	₱733	₱5,836
Dividends paid to non-controlling interest	**₱3,410**	**₱179**	**₱3,589**	₱2,968	₱279	₱3,247	₱2,798	₱275	₱3,073

EDC
First Gen continues to consolidate EDC post-delisting from the official registry of the PSE in November 2018. As at December 31, 2024 and 2023, PREHC ogoverwns 34.9% of EDC's outstanding voting stocks, while Red Vulcan still holds the controlling voting interest with 63.9% ownership of EDC's outstanding voting stocks.

As at December 31, 2024 and 2023, First Gen has 65.0% effective voting interest in EDC through Prime Terracota.

CHEPP
The Power Sector Assets and Liabilities Management Corporation (PSALM) bid out the CHEPP in Pantabangan, Nueva Ecija on May 16, 2023, whereby FRLC, a wholly owned subsidiary of First Gen, submitted the highest bid and subsequently completed the purchase of the plant. On February 25, 2024, the Deed of Absolute Sale of the CHEPP was signed and executed by PSALM, National Irrigation Administration (NIA) and FRLC. The CHEPP was officially turned over to FRLC on February 26, 2024 (see Note 14).

As at December 31, 2024, FRLC has completed the valuation of the identifiable assets in accordance with PFRS 3, *Business Combinations*. The fair values of the assets recognized as a result of the acquisition are as follows (in millions):

Property, plant and equipment (Note 12)	₱10,415
Intangible asset (Note 14)	18,652
Inventories	336
Total identifiable assets	29,403
Less cost of acquisition	29,403
Goodwill arising on acquisition	₱–

Since the total purchase price is equal to the fair values of the identified assets, FRLC did not recognize goodwill in this business combination.

From the date of acquisition, FRLC contributed ₱2,293 million to the consolidated revenues and consolidated net income of ₱969 million to the Group for the year ended December 31, 2024.

RNDC
On August 17, 2020, Rockwell Land entered into a Joint Venture Agreement with T.G.N. Realty Corporation to develop parcels of land in Pampanga, through RNDC. The final shareholdings shall be 40%-60% between Rockwell Land and T.G.N. Realty Corporation, respectively.

On November 6, 2020, Rockwell Land subscribed to 746,698,125 redeemable preferred shares and 9,451,878 common shares of RNDC, equivalent to 40% of RNDC's outstanding capital stock, for a total consideration of ₱756 million. As at December 31, 2020, Rockwell Land made partial payment of the subscription price amounting to ₱72 million and accounted for such investment as an associate. The purchase price allocation resulted to recognition of RNDC's assets and liabilities at fair value, with land as the primary asset, and embedded goodwill amounting to ₱51 million.

On January 15, 2024, Rockwell Land subscribed to an additional 1,488,253,578 shares from the unissued portion of the existing authorized capital stock of RNDC, consisting of 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488 million. As partial payment for the subscription, Rockwell Land paid ₱190 million in cash to RNDC which was paid upon the execution of the agreement.

As a result, Rockwell Land's ownership interest in RNDC increased from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, Rockwell Land's previously held interest of 38.49% (equivalent post-subscription ownership percentage of 21.9%) was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱65 million recorded in "Other income - net" account in the 2024 consolidated statement of income (see Note 23).

The final fair values and corresponding carrying amounts of the identifiable assets and liabilities of RNDC at acquisition date are as follows (in millions):

	Fair Value	Carrying Value
Cash and cash equivalents	₱158	₱158
Receivables and contract assets	37	37
Subscriptions receivable	1,859	1,859
Real estate inventories	836	653
Other current assets	452	452
Investment properties	910	686
Trade and other payables	(141)	(141)
Contract liabilities	(250)	(250)
Deferred tax asset (liability) - net	(96)	6
Net assets	3,765	3,460
Non-controlling interests (35% of fair value of net assets acquired)	(1,318)	
Fair value of previously held interest*	(824)	
Excess of fair value of net assets acquired over consideration paid	(135)	
Consideration transferred	₱1,488	

** Post-subscription equivalent ownership percentage is 21.9%*

The receivables and contract assets have not been impaired and it is expected that full contractual amounts can be collected.

The net deferred tax liabilities pertain to the net tax effect of the excess of fair value over the carrying amount of real estate inventories and investment properties; and deferred taxes on excess of accounting gross profit over taxable gross profit; and deferred selling expense.

The non-controlling interest was recognized as a proportion of the fair value of the identifiable net assets acquired.

The excess of fair value of net assets acquired over consideration paid was the result of the higher increase in the fair value of RNDC's real estate inventories and investment properties as compared to the consideration transferred by Rockwell Land.

The 2024 consolidated revenue and consolidated net income included RNDC's contribution for the entire reporting period as the acquisition had taken place at the beginning of the year.

6. Cash and Cash Equivalents and Short-term Investments

	2024	2023
	(In Millions)	
Cash on hand and in banks	**₱21,929**	₱20,680
Cash equivalents	**30,799**	44,570
	₱52,728	₱65,250

Cash in banks earn interest at the prevailing bank deposit rates ranging from 0.12% to 6.13% for the year ended December 31, 2024, and 0.10% to 5.12% for the years ended December 31, 2023 and 2022. Cash equivalents consist of short-term placements, which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term placement rates.

Cash deposits amounting to ₱200 million and ₱3,857 million as at December 31, 2024 and 2023, respectively, and with maturities of more than three months but less than one year are classified as short-term investments in the consolidated statements of financial position (see Note 30).

Interest earned on cash and cash equivalents and short-term investments of ₱1,719 million in 2024, ₱2,282 million in 2023, and ₱582 million in 2022, is recorded under "Finance income" account in the consolidated statements of income (see Note 23).

7. Trade and Other Receivables and Contract Assets

a. Trade and Other Receivables

	2024	2023
	(In Millions)	
Trade receivables from:		
Sale of electricity	**₱30,633**	₱27,040
Contracts and services	**2,539**	1,482
Real estate	**2,304**	1,484
Sale of merchandise	**1,217**	844
Others	**319**	151
Due from related parties and advances to officers and employees (Note 27)	**133**	194
Others	**1,286**	1,895
	38,431	33,090
Less allowance for ECL	**1,887**	1,853
	₱36,544	₱31,237

Sale of Electricity
Trade receivables from sale of electricity are noninterest-bearing and are generally on 30 to 60-day credit term.

Real Estate
Trade receivables from sale of real estate lots consist of installment contract receivables from real estate customers. Installment contract receivables are collectible in equal monthly installments with terms typically up to five years for high-rise projects and up to three years for horizontal projects. These are noninterest-bearing and are carried at amortized cost. The fair value at initial recognition is derived using discounted cash flow model.

Interest income earned from sale of real estate amounted to ₱345 million in 2024, ₱1,794 million in 2023, and ₱1,436 million in 2022 (see Note 23).

Contracts and Services, Sale of Merchandise and Other Trade Receivables
Trade receivables arising from contracts, retention and others, are noninterest-bearing and are generally on 30–90 days terms.

Others
Other receivables include the outstanding receivables from construction delay and insurance claims of First Gen group as at December 31, 2024 and 2023. This is related to the business interruption caused by calamities and various events which affected the operations of the power plants of First Gen group. This account also includes claims from contractors and receivable from various third parties of Rockwell Land, and interest and other receivables which are all generally on 30-day credit term.

Allowance for ECL
The rollforward analysis of allowance for ECL on trade receivables follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱1,853**	₱1,705
Provision for ECL (Note 22)	**413**	246
Write off	**(379)**	(98)
Balance at end of year	**₱1,887**	₱1,853

Total intercompany receivables eliminated upon consolidation amounted to ₱823 million in 2024 and ₱1,344 million in 2023. This pertains to trade receivables which are settled within normal credit terms.

b. Contract Assets

	2024	2023
	(In Millions)	
Current	**₱7,102**	₱9,238
Noncurrent	**9,379**	6,111
Total	**₱16,481**	₱15,349

Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage of completion against amounts billed to customers.

As at December 31, 2024 and 2023, the movement in contract assets comprises the reclassifications to installment contracts receivables from sale of real estate amounting to ₱13,587 million and ₱12,034 million, respectively, and unbilled revenues recognized for the year amounting to ₱14,851 million and ₱11,612 million, respectively.

8. Inventories

	2024	2023
	(In Millions)	
At cost:		
Land and development costs	**₱17,023**	₱13,841
Land held for future development and other developments costs	**14,160**	12,402
Spare parts and supplies	**10,309**	7,261
Fuel inventories	**4,136**	5,216
Condominium units held for sale	**1,076**	667
Work-in-process	**673**	670
Finished goods	**380**	409
Raw materials	**68**	55
	47,825	40,521
At net realizable values:		
Spare parts and supplies	**3,306**	1,649
Raw materials	**624**	598
	3,930	2,247
	₱51,755	₱42,768

The costs of spare parts and supplies and raw materials which were carried at net realizable values as at December 31 are as follows:

	2024	2023
	(In Millions)	
Spare parts and supplies	**₱3,586**	₱1,716
Raw materials	**634**	607
	₱4,220	₱2,323

The Group has no inventories pledged as security for liabilities as at December 31, 2024 and 2023.

Land and Development Costs
Land and development costs consist mostly of various condominium and other projects of Rockwell Land. FPIP's and FPPC's various land developments are also presented under this account.

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

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱26,243**	₱20,850
Costs of real estate sold (Note 22)	**(9,031)**	(8,889)
Construction and development costs incurred (Note 5)	**8,933**	8,066
Land acquired	**4,951**	6,637
Transfers from (to) investment properties (Note 13)	**107**	28
Transfers to property, plant and equipment (Note 12)	**(20)**	(449)
Balance at end of year	**₱31,183**	₱26,243

Spare Parts and Supplies
The amount of spare parts and supplies inventories charged to "Costs of sale of electricity" and "General and administrative expenses" accounts amounted to ₱1,351 million in 2024, ₱1,324 million in 2023 and ₱1,409 million in 2022 (see Note 22).

Provision for (reversal of) for impairment of spare parts amounted to ₱214 million in 2024, (₱70 million) in 2023, and ₱21 million in 2022 are shown as part of "General and administrative expenses" (see Note 22).

Fuel Inventories
In 2024 and 2023, FGPC, FGP, FNPC and PMPC imported Liquefied Natural Gas (LNG) totaling to ₱8,440 million ($146 million) and ₱5,581 million ($101 million), respectively, and shown as part of "Inventories" in the consolidated statements of financial position.

Fuel inventories of First Gen group comprise of liquid fuel and LNG that are valued at cost. The amounts of fuel inventories recognized as part of fuel costs under "Costs of sale of electricity" account amounted to ₱6,675 million in 2024, ₱11,002 million in 2023, and ₱11,680 million in 2022 (see Note 22).

Condominium Units Held for Sale
As at December 31, 2024 and 2023, condominium units or sale primarily pertain to unsold units of various completed projects of Rockwell Land.

9. Prepayments and Other Current Assets

	2024	2023
	(In Millions)	
Advances to contractors and suppliers	**₱4,470**	₱3,410
Input VAT - net (Note 15)	**4,005**	3,958
Prepaid expenses (Note 15)	**2,785**	2,944
CWT	**2,015**	2,770
TCCs	**208**	221
Others	**1,253**	810
	₱14,736	₱14,113

Advances to contractors and suppliers pertain mainly to advances related to the development of Rockwell Land and FPIP's real estate projects.

Input VAT is applied against output VAT. Any remaining balance will be applied against future output VAT.

Prepaid expenses and others consist mainly of cost to obtain contract, prepaid insurance and prepaid supplies. Cost to obtain contract consists of sales commission pertaining to real estate sold capitalized as deferred selling expense. CWT can be applied against future income tax due or can be applied for refund with the BIR based on the mandatory documentary requirements in line with the Ease of Paying Taxes (EOPT) Act of 2023.

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10. Investments in Associates, Joint Ventures and Joint Operations

	2024	2023
	(In Millions)	
Investments in joint ventures	**₱6,379**	₱6,707
Investments in associates	**23**	853
	₱6,402	₱7,560

Investments in Joint Ventures

The carrying value of the Group's investments in joint ventures consists of:

	2024	2023
	(In Millions)	
Cost	**₱7,157**	₱7,371
Return of investment*	**(236)**	(214)
	6,921	7,157
Accumulated share in net losses:		
Balance at beginning of year	**(450)**	(414)
Share in net earnings for the year	**341**	380
Dividends received	**(433)**	(416)
Balance at end of year	**(542)**	(450)
	₱6,379	₱6,707

**Represents excess cash of the joint venture distributed as return of capital as agreed by the joint venture partners*

The Group's investments in joint ventures, all incorporated in the Philippines, consist of the following:

		Percentage of Ownership		Carrying Value *(In Millions)*	
Joint Venture	Principal Activities	**2024**	2023	**2024**	2023
Rockwell IPI Development Corporation (RIDC)	Real estate developer	**50.00**	50.00	**₱3,095**	₱3,142
Rockwell Business Center (RBC)	Real estate developer	**70.00**	70.00	**2,080**	2,271
Compañía De Energia (Enerco)	Power generation	**70.00**	70.00	**1,142**	1,225
Novabala	Construction	**30.00**	30.00	**53**	53
Reliance CARE	Healthcare	**55.00**	55.00	**9**	16
				₱6,379	₱6,707

a. *RIDC*

In December 2021, Rockwell Land entered into a Joint Venture Agreement (JVA) with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components (the Project) through RIDC, and with the view of jointly preserving and continuing IPI's long-standing legacy in the market and Rockwell Land's brand of creating communities of unparalleled quality. Under the terms of the JVA, each of Rockwell and IPI shall at all times hold 50% of the total subscribed shares, except in certain circumstances provided for in the JVA. Pursuant to the JVA, Rockwell Land shall subscribe to 3,148,410,000 common and redeemable preferred stocks out of the unissued authorized shares of RIDC in the following manner:

- *First Subscription:* On the execution date of the JVA, Rockwell Land shall execute a Subscription Agreement to subscribe to 1,019,205,000 common stocks and 1,500,795,000 redeemable preferred stocks – Tier 1.
- *Second Subscription:* Upon SEC approval of the increase in capital stock, Rockwell Land shall execute a second Subscription Agreement to subscribe to the additional 628,410,000 redeemable preferred stocks – Tier 1 to complete its subscription for the shares comprising its Tier 1 capital contribution.

In December 2021, Rockwell Land contributed ₱630 million in cash to RIDC as partial payment for Rockwell Land's subscription. On the same period, RIDC filed its application with the Philippine SEC for the increase in authorized capital stock. The corresponding shares of Rockwell Land's first subscription shall be issued out of the said increase in authorized capital stock. Accordingly, the aforementioned partial subscription payment is treated as deposits for stock subscription as at December 31, 2022 and 2021 and presented as part of investments in joint ventures.

The increase in RIDC's authorized capital stock was approved by the Philippine SEC in April 2022, with Rockwell Land accruing the remaining portion of its subscription and treated as deposits for future stock subscription as at December 31, 2022. Out of the accrued subscription, ₱775 million was paid in 2023 while the remaining balance will be paid within 1 year based on the terms of the JVA. In 2023, the subscription payment was revised depending on the cashflow requirements for the project development with ₱163 million to be paid in 2024.

On October 12, 2024, Rockwell Land and IPI executed an agreement amending the schedule of capital contributions and subscriptions, and the capital structure of RIDC. IPI subscribed to 135,000,000 redeemable preferred shares-Tier 2 out of the unissued portion of the existing authorized capital stock of RIDC. On the same date, IPI paid ₱34 million in cash to effect the additional subscription.

b. *RBC*

On March 25, 2008, Rockwell Land entered into a 25-year JV Agreement with Meralco to form an unincorporated and registered joint venture (70% ownership for Rockwell Land and 30% ownership for Meralco) in the Philippines, wherein the parties agreed to pool their allocated areas in the first two towers of the BPO Building, including the right to use the land, and to operate and manage the combined properties for lease or any similar arrangements to third parties under a common property management and administration. A Supplemental Agreement to the JV Agreement was entered by the parties on December 6, 2013 to include their respective additional rights and obligations, and the development and construction of the third tower of the BPO Building which was completed in December 2014.

c. *ENERCO*

On May 20, 2013, EDC and Alterra Power Corporation (Alterra, a publicly-traded company and listed at the Toronto Stock Exchange) executed a JV Agreement for the exploration and development of the Mariposa geothermal project in Chile (Mariposa Project). Following the execution of such JV Agreement, EDC, Alterra and their relevant subsidiaries have executed Shareholders' Agreement and other related agreements all with effect on June 17, 2013 for the implementation of the terms of the JV Agreement. Under the Shareholders' Agreement, EDC (through EDC Geotermica SpA, its wholly owned subsidiary in Chile) will subscribe to a 70% interest in Enerco, an Alterra subsidiary in Chile that owns the Mariposa Project. On June 17, 2013, EDC subscribed to a 70% interest in Enerco through a Subscription Deed with Alterra. While EDC Geotermica owns 70% interest in Enerco, it does not have the sole ability to direct the relevant activities which most significantly affect the returns of Enerco as the key operating and financial decisions of Enerco require the unanimous vote and consent of the parties sharing control.

Accordingly, the investment in Enerco has been determined by management to be a joint arrangement to be accounted for as joint venture.

Investments in Joint Operations

First Balfour has entered into joint operations arrangements for its various construction projects.

	Nature of Business	Country of Incorporation	Participating Interest
Leighton-First Balfour Joint Venture (LFBJV)	Construction of railway	Philippines	Package S-03a - 50% Package S-03b - 35%
First Balfour-Leighton Joint Venture (FBLJV)	Construction of data center	Philippines	60%
First Agua (FB-Tedagua)	Construction of water treatment plant	Philippines	60%
First Balfour - MRAIL Joint Venture (FB/MRAIL Inc.)	Rehabilitation of rectifier substations	Philippines	51%
Cebu Link Joint Venture (CLJV) (FB- Acciona-DMCI)	Construction of bridge	Philippines	25%

The Group's share in the assets of joint operations follow:

	2024	2023
	(In Millions)	
LFBJV	**₱2,972**	₱1,317
FBLJV	**1,373**	179
First Agua	**225**	401
CLJV	**58**	96
FB-MRAIL	**33**	74
	₱4,661	₱2,067

The assets of these joint operations include cash, receivables, inventories, prepayments and property and equipment.

The Group's share in the liabilities of joint operations follow:

	2024	2023
	(In Millions)	
LFBJV	**₱3,020**	₱1,302
FBLJV	**1,240**	166
First Agua	**198**	373
CLJV	**17**	65
FB-MRAIL	**8**	8
	₱4,483	₱1,914

The liabilities of these joint operations include trade and other payables, retention payable, lease liabilities, and contract liabilities.

Investments in Associates
The details of the investments in associates are as follows:

	2024	2023
	(In Millions)	
Cost:		
Balance at beginning of year	**₱1,318**	₱1,270
Additions	**19**	48
Step acquisition to a subsidiary (Note 5)	**(756)**	–
Balance at end of year	**581**	1,318
Accumulated equity in net losses:		
Balance at beginning of year, previously reported	**(465)**	(441)
Effect of adoption of significant financing component accounting	**(52)**	–
Balance at beginning of year, restated	**(517)**	(441)
Share in net losses for the year	**(38)**	(24)
Gain on remeasurement of investment in RNDC (Note 5)	**65**	
Step acquisition to a subsidiary (Note 5)	**(68)**	–
Balance at end of year	**(558)**	(465)
Carrying value	**₱23**	₱853

The Group's associates, all incorporated in the Philippines, consist of the following:

		Percentage of Ownership		Carrying Value	
Associate	Principal Activities	**2024**	2023	**2024**	2023
RNDC	Real estate developer	–	41.21	**₱–**	₱804
Batangas Bay Towage, Inc. (BBTI)	Towage and other vessel support services	**40.00**	40.00	–	36
Others	Power generation, trading, health	**Various**	Various	**23**	13
				₱23	₱853

The carrying amount of the investments in associates as at December 31, 2024 and 2023 represents the aggregate carrying values of individually immaterial associates.

RNDC
As discussed in Note 5, in January 2024, Rockwell Land subscribed to 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488 million, bringing the Rockwell Land's ownership interest in RNDC from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, the Group's held interest of 38.49% was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱65 million.

11. **Financial Assets**

Other Current Financial Assets

	2024	2023
	(In Millions)	
Financial assets at FVPL -		
FVPL investments (Note 30)	**₱68**	₱20
Financial assets at amortized cost:		
Refundable deposits	**187**	161
Restricted cash	**52**	147
Financial assets accounted for as cash flow hedge -		
Derivative asset (Note 30)	**13**	34
	₱320	₱362

FVPL Investments
The Group, through First Gen group, entered into various investment management agreements (IMA) with various Investment Managers, whereby First Gen group availed the service of the Investment Manager relative to the management and investment of funds.

Among others, following are the significant provisions of the IMA of the Group:

- The investment managers shall administer and manage the fund as allowed and subject to the requirements of the Bangko Sentral ng Pilipinas (BSP), and in accordance with the written investment policy and guidelines mutually agreed upon and signed by the respective investment managers and First Gen group.

- The agreement is considered as an agency and not a trust agreement. First Gen group, therefore, shall at all times retain legal title to the fund.

- The IMA does not guaranty a yield, return, or income on the investments or reinvestments made by the investment managers. Any loss or depreciation in the value of the assets of the fund shall be for the account of First Gen group.

In addition, the Group has investments in various money unit investment trust fund. Fund investments include quoted government securities and other quoted securities. The Group accounts for the entire investment as financial assets to be carried at FVPL.

As at December 31, 2024 and 2023, the movements of the financial assets at FVPL account are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱20**	₱1,382
Additions	**53**	64
Redemptions	**(7)**	(1,426)
Mark-to-market gain (loss)	**2**	(4)
Realized income	**–**	7
Foreign exchange adjustments	**–**	(3)
Balance at end of year	**₱68**	₱20

Restricted Cash
As at December 31, 2024 and 2023, restricted cash represents funds in escrow intended for the payment of land acquired during the year.

Financial Assets at FVOCI

Financial assets at FVOCI consist of the following:

	2024	2023
	(In Millions)	
Quoted equity securities	**₱23,759**	₱20,900
Unquoted equity securities	**647**	442
Proprietary membership	**326**	307
Quoted government debt securities	**187**	187
	₱24,919	₱21,836

a. *Quoted Equity Securities*

- *Meralco*

  Investment in quoted securities include the Group's remaining interest in Meralco of 3.95% as at December 31, 2024 and 2023. As at December 31, 2024 and 2023, the carrying amount of the Group's investment in Meralco amounted to ₱21,704 million (valued at ₱488 per share) and ₱17,746 million (valued at ₱399 per share), respectively.

  Dividend income from Meralco amounted to ₱958 million in 2024, ₱869 million in 2023, and ₱713 million in 2022 (see Note 23).

- *Lopez Holdings Corporation*

  In 2021, the Parent Company conducted a Tender Offer to acquire a minimum of 908,459,782 issued and outstanding common stocks of Lopez Holdings, the immediate parent company, representing approximately 20% of its total issued and outstanding common stocks and up to a maximum of 1,430,824,156 issued and outstanding common stocks representing approximately 31.5% of its total issued and outstanding common stocks, from all the shareholders of Lopez Holdings. The Tender Offer Period ran from January 22, 2021 to March 8, 2021 with an offer price of ₱3.85 per common share. Following the close of the Tender Offer Period, a total of 712,206,016 common stocks of Lopez Holdings representing 15.68% of its total issued and outstanding common stocks were tendered, accepted and thereafter purchased by the Parent Company for a total transaction value of ₱2,756 million. As at December 31, 2024 and 2023, the carrying amounts of the Group's investment in Lopez Holdings amounted to ₱1,923 million (valued at ₱2.70 per share) and ₱3,027 million (valued at ₱4.25 per share), respectively.

  Dividend income received from other quoted equity securities amounted to ₱71 million in 2024 and 2023, and ₱36 million in 2022 (see Note 23).

b. *Unquoted Equity Securities.* Unquoted Equity Securities consists of investments in Narra Venture and Acclima, a foreign-based technology corporation, among others.

c. *Quoted Government Debt Securities.* Quoted government debt securities consist of investments in fixed rate bonds, fixed rate treasury notes and retail treasury bonds with maturities between 2024 and 2037 as of December 31, 2024 and 2023, and interest rates ranging from 5.8% to 6.3% and 2.4% to 7.3%, respectively.

Set out below are the movements in the accumulated unrealized fair value gains on financial assets at FVOCI recognized as part of equity as at December 31:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱10,148**	₱4,707
Unrealized fair value gains recognized in OCI	**2,927**	5,441
Balance at end of year	**₱13,075**	₱10,148

	2024	2023
	(In Millions)	
Attributable to:		
Equity holders of the Parent Company	**₱12,981**	₱10,075
Non-controlling interests	**94**	73
	₱13,075	₱10,148

<u>Other Noncurrent Financial Assets</u>

	2024	2023
	(In Millions)	
Financial assets at amortized cost:		
Long-term receivables (Note 31)	**₱1,836**	₱1,781
Derivative assets (Note 30)	**1**	234
Special deposits and funds (Note 31)	**43**	195
	₱1,880	₱2,210

Long-term receivables mainly pertain to the receivable of First Gen group from TransCo arising from FIT rate adjustments of EDC, and Rockwell Land's receivables from third parties expected to be collected more than 12 months and more than five years, respectively.

The special deposits and funds mainly consist of security deposits for various operating lease agreements covering office spaces and certain equipment, escrow accounts in favor of terminated employees, and escrow accounts in favor of specified counterparties in certain transactions.

12. Property, Plant and Equipment

	2024						
	Land	Power Plants, Buildings, Other Structures and Leasehold Improvements	FCRS and Production Wells	Transportation Equipment	Exploration, Machinery and Equipment	Construction in Progress	Total
				(In Millions)			
Cost							
Balance at beginning of year	**₱4,881**	**₱80,352**	**₱59,854**	**₱1,155**	**₱141,683**	**₱43,123**	**₱331,048**
Additions (Note 5)	**158**	**5,297**	**8**	**110**	**10,072**	**28,908**	**44,553**
Retirement/Write off	**–**	**(571)**	**–**	**–**	**(147)**	**–**	**(718)**
Disposals	**–**	**(586)**	**–**	**(43)**	**(314)**	**(36)**	**(979)**
Reclassifications and adjustments (Notes 8, 13 and 15)	**–**	**10,409**	**6,776**	**(20)**	**9,106**	**(23,445)**	**2,826**
Foreign currency translation adjustment	**48**	**1,104**	**–**	**7**	**4,923**	**(50)**	**6,032**
Balance at end of year	**5,087**	**96,005**	**66,638**	**1,209**	**165,323**	**48,500**	**382,762**
Accumulated Depreciation, Amortization and Impairment Losses							
Balance at beginning of year	**–**	**65,457**	**20,736**	**860**	**84,869**	**118**	**172,040**
Depreciation and amortization (Note 23)	**–**	**4,675**	**2,201**	**107**	**7,078**	**–**	**14,061**
Retirement/Write off	**–**	**(204)**	**–**	**(31)**	**(143)**	**–**	**(378)**
Disposals	**–**	**–**	**–**	**(7)**	**(251)**	**–**	**(258)**
Reclassifications and adjustments	**–**	**492**	**–**	**58**	**(558)**	**–**	**(8)**
Foreign currency translation adjustment	**–**	**907**	**–**	**6**	**3,088**	**(53)**	**3,948**
Balance at end of year	**–**	**71,327**	**22,937**	**993**	**94,083**	**65**	**189,405**
Net Book Value	**₱5,087**	**₱24,678**	**₱43,701**	**₱216**	**₱71,240**	**₱48,435**	**₱193,357**

	2023						
	Land	Power Plants, Buildings, Other Structures and Leasehold Improvements	FCRS and Production Wells	Transportation Equipment	Exploration, Machinery and Equipment	Construction in Progress	Total
				(In Millions)			
Cost							
Balance at beginning of year	₱4,222	₱95,180	₱55,762	₱997	₱123,819	₱28,582	₱308,562
Additions	126	102	–	185	2,503	21,251	24,167
Retirement/ Write off	–	(50)	–	–	(67)	–	(117)
Disposals	–	(50)	–	(45)	(289)	–	(384)
Reclassifications and adjustments (Notes 8, 13 and 15)	540	(14,341)	4,092	13	16,007	(6,752)	(441)
Acquisition of a subsidiary (Note 5)	–	–	–	6	347	–	353
Foreign currency translation adjustment	(7)	(489)	–	(1)	(637)	42	(1,092)
Balance at end of year	4,881	80,352	59,854	1,155	141,683	43,123	331,048
Accumulated Depreciation, Amortization and Impairment Losses							
Balance at beginning of year	–	70,313	18,696	799	70,040	–	159,848
Depreciation and amortization (Note 23)	–	4,770	2,040	113	5,898	–	12,821
Retirement/ Write off	–	(47)	–	(23)	(63)	–	(133)
Impairment	–	–	–	–	1	117	118
Disposals	–	–	–	(5)	(221)	–	(226)
Reclassifications and adjustments	–	(9,410)	–	(28)	9,509	–	71
Acquisition of a subsidiary (Note 5)	–	–	–	5	247	–	252
Foreign currency translation adjustment	–	(169)	–	(1)	(542)	1	(711)
Balance at end of year	–	65,457	20,736	860	84,869	118	172,040
Net Book Value	₱4,881	₱14,895	₱39,118	₱295	₱56,814	₱43,005	₱159,008

In 2024, 2023 and 2022, the Group sold property and equipment with a total net book value ₱721 million, ₱158 million, and ₱19 million, respectively, for a cash consideration of ₱392 million in 2024, ₱210 million in 2023, and ₱77 million in 2022. The net gains (loss) on these disposals were recognized under "Other income (charges)" account in the consolidated statements of income (see Note 23).

The significant transactions and events affecting the Group's "Property, plant and equipment" account are as follows:

Impact of Typhoons and Calamities. First Gen group received insurance proceeds relating to the property damages caused by the typhoons, calamities, machinery breakdown, business interruptions, and construction delay caused by the damaged generator (for FNPC), damaged gas turbine of Unit 2 for Avion power plant (for PMPC), and construction delay claims (for FGEN LNG). Proceeds from these claims amounting to ₱362 million in 2024, ₱2,155 million in 2023, and ₱773 million in 2022 were presented as part of the "Other income (charges)" account in the consolidated statements of income (see Note 23).

Estimated Rehabilitation and Restoration Costs. Under their respective ECCs, FGP, FGPC, FNPC and PMPC have legal obligations to dismantle their respective power plant assets at the end of their useful lives. FG Bukidnon, on the other hand, has contractual obligation under HSC to dismantle its power plant asset at the end of its useful life. EDC also has legal obligations to dismantle the steam fields and power plants located in the contract areas for which EDC is legally and constructively liable (see Note 19).

Also, FCRS and production wells include the estimated rehabilitation and restoration costs of EDC's steam fields and power plants' contract areas at the end of the contract period. These were based on technical estimates of probable costs which may be incurred by EDC in the rehabilitation and restoration of the said steam fields and power plants' contract areas, discounted using a risk-free discount rate and adjusted the cash flows to settle the provision. Similarly, EBWPC has recorded an estimated provision for asset retirement obligation relating to removal and disposal of all wind farm materials, equipment and facilities from the contract areas at the end of the contract period (see Note 19). The amount of provision was recorded as part of the costs of power plants.

The Group adjusted its asset retirement obligation with an increase of ₱69 million in 2024 and ₱224 million in 2023 (see Note 19). The revision in estimate is attributable to changes in estimated cash flow and discount rates. The Group calculates the present value to settle the obligation by adjusting the cash flows for the risk and discounted it using risk-free discount rates.

<u>FPIC</u>
Following the issuance by the Court of Appeals (CA) of a Resolution containing its Report and Recommendations to the Supreme Court (SC) in December 2012 about the conduct of hearings and the structural integrity of the white oil pipeline (WOPL), FPIC recognized an APO of ₱567 million in 2013 in relation with the end-of-use of its pipelines. This was based on the results of engineering study and was calculated using prices in 2005 to 2006 adjusted for inflation and discounted at 6%. Asset retirement and preservation obligations amounted to ₱745 million as at December 31, 2024 and 2023 (see Note 19).

<u>Pledged Assets</u>
Property, plant and equipment with net book values of nil and ₱13,449 million as at December 31, 2024 and 2023, respectively, have been pledged as security for long-term debt (see Note 18).

<u>Reclassifications and Adjustments</u>
The reclassifications in the accumulated depreciation of property, plant and equipment include the capitalized depreciation charges amounting to ₱342 million, nil, and ₱29 million in 2024, 2023 and 2022, respectively, under "Construction in progress" which primarily relates to ongoing drilling of production wells. In addition, First Gen Group recognized adjustments to the cost of property, plant and equipment in 2024 and 2023 relating to provisions for rehabilitation and restoration costs, as a result of the reassessment made by First Gen Group on the nature of the assets. It also includes reclassification of the prepaid major spare parts amounting to ₱2,991 million and nil in 2024 and 2023, respectively [see Notes 15 and 31(e)]. The reclassification of prepaid major spare parts in 2024 resulted from the completion of the scheduled major maintenance outages of the San Gabriel and Santa Rita gas plants. Other reclassifications were due to the results of reassessment made by the First Gen Group on the nature of the assets.

Construction in Progress
First Gen Group's "Construction in progress" account includes FGEN LNG's Multi-Purpose Jetty and Gas Receiving Facility, EDC's steamfield assets and other ongoing construction projects.

On November 11, 2020, FGEN LNG signed a Construction Contract and Supply Contract with McConnell Dowell Philippines, Inc. (MCD Philippines) and McConnell Dowell South East Asia Pte. Ltd. (together the "Contractors"), respectively, for the engineering, procurement and construction (EPC) of the Multi-Purpose Jetty and Gas Receiving Facility for its Interim Offshore LNG Terminal (IOT) Project to be located in the First Gen Clean Energy Complex (FGCEC) in Batangas City.

Upon termination of the Construction Contract and Supply Contract, a General Framework Agreement for Support Services ("GFA") was executed on August 2, 2023 by FGEN LNG and MCD Philippines. Under the GFA, MCD Philippines agrees to provide various completion and commissioning services to FGEN LNG under a "work order" structure to achieve commissioning and start-up of the LNG facility, which is similar to a Facility Completion under the original EPC contract.

In February 2024, the LNG regasification terminal became available for use. Consequently, FGEN LNG reclassified a total of ₱12,970 million from the "Construction in progress" account to the respective "Property, plant and equipment" accounts. The components of the Multi-Purpose Jetty and Gas Receiving Facility include the unloading system, multi-purpose jetty, land improvements, monitoring and control buildings, steel structure, gas pipeline and metering skids, safety and control systems, and electrical, communication and water facilities. This asset group has an average useful life of 21.77 years as of December 31, 2024.

The Department of Energy (DOE) issued a Permit to Operate and Maintain (POM) to FGEN LNG for the Interim Offshore LNG Terminal located in the FGCEC in Batangas City. The POM authorizes the operation of the project for its own-use and is valid for a period of twenty-five (25) years. In January 2025, FGEN LNG declared commercial operations after receiving the POM from the DOE.

The EDC's steamfield assets are mainly composed of in-progress production wells and FCRS, while other construction projects include the Palayan Bayan, Tanawon, Mahanagdong, Northern Negros, various battery energy storage systems, ongoing rehabilitation activities in the plants, Control Systems Integration (CSI), retrofitting and other construction projects.

13. Investment Properties

	2024				2023			
	Land	**Buildings and Others**	**Investment Properties in Progress**	**Total**	Land	Buildings and Others	Investment Properties in progress	Total
					(In Millions)			
Cost								
Balance at beginning of year	**₱7,500**	**₱21,895**	**₱403**	**₱29,798**	₱7,302	₱21,414	₱127	₱28,843
Additions	**247**	**737**	**892**	**1,876**	159	347	477	983
Reclassification within investment properties	**–**	**–**	**–**	**–**	–	141	(141)	–
Reclassification to inventories and property, plant and equipment (Notes 8 and 12)	**47**	**(299)**	**–**	**(252)**	39	(7)	(60)	(28)
Balance at end of year	**7,794**	**22,333**	**1,295**	**31,422**	7,500	21,895	403	29,798
Accumulated Depreciation								
Balance at beginning of year	**–**	**6,944**	**–**	**6,944**	–	6,118	–	6,118
Depreciation (Note 23)	**–**	**1,097**	**–**	**1,097**	–	826	–	826
Reclassification to inventories and property, plant and equipment (Notes 8 and 12)	**–**	**(34)**	**–**	**(34)**	–	–	–	–
Balance at end of year	**–**	**8,007**	**–**	**8,007**	–	6,944	–	6,944
Net Book Value	**₱7,794**	**₱14,326**	**₱1,295**	**₱23,415**	₱7,500	₱14,951	₱403	₱22,854

Investment properties consist mainly of Rockwell Land's "Power Plant" Mall, other investment properties held for lease within and outside Rockwell Center, land held for appreciation, and the construction of Rockwell Performing Arts Theater. This account also includes FPH and FPRC's real properties, and FPIP's and FPPC group's parcels of land located in Tanauan, Batangas.

As at December 31, 2024 and 2023, Rockwell Land's, general borrowing costs capitalized as part of investment properties amounted to ₱12 million and ₱36 million, respectively. Average capitalization rate used for all ongoing projects is 4.82% in 2024 and 2023.

Fair value. The aggregate fair values of the Group's investment properties amounted to ₱57,646 million and ₱53,112 million as at December 31, 2024 and 2023, respectively. Fair values have been determined based on valuations performed by independent professional appraisers and based on the average purchase price of land acquired during the year.

The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

In conducting the appraisal, the independent professional appraisers used any of the following approaches:

a. Market Data or Comparative Approach

   The fair value of land held for appreciation and land component of assets under construction arrived through use of the "Market Data Approach". Market Data Approach is based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute parcel or site. This approach is primarily based on sales and listings, which are adjusted for time of sale, location, and general characteristics of comparable lots in the neighborhood where the subject lot is situated. This is included under Level 2 in the fair value hierarchy.

b. Income Approach

   The fair value of the mall and investment properties held for lease was arrived through the use of "Income Approach", particularly the Discounted Cash Flow Analysis which is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property being valued. In an operating property, periodic cash flow is typically estimated as gross revenue less operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. This is included under Level 3 in the fair value hierarchy.

c. Cost Approach

   The fair value of assets recently completed and undergoing construction is arrived through "Cost Approach". Cost Approach is based on the amount required to replace the service capacity of an asset (frequently referred to as current replacement cost). This approach is applied by estimating the amount that currently would be required to construct a substitute software asset of comparable utility. This is included under Level 3 in the fair value hierarchy.

Set out below is a comparison by class of carrying values and fair values of the Group's investment properties as at December 31, 2024 and 2023.

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
		(In Millions)			
2024	**₱23,415**	**₱57,646**	**₱–**	**₱42,178**	**₱15,468**
2023	22,854	53,122	–	38,424	14,698

Rental income. The aggregate rental income from investment properties of Rockwell Land, FPIP, FPPC, FPRC and the Parent Company and the related aggregate direct operating expenses in 2024, 2023 and 2022 are shown below:

	For the Years Ended December 31		
	2024	2023	2022
		(In Millions)	
Rental income (Note 21c)	**₱3,382**	₱3,113	₱2,642
Direct operating expenses	**1,281**	1,082	851

As a consequence of the COVID-19 pandemic, the Group provided certain rent concessions to its tenants in the form of rent-free periods and discounts from March to December 31, 2022. The Group accounted for the rent concessions as not a lease modification. The rent concessions resulted to reduction in rental income amounting to ₱85 million in 2022.

14. Goodwill and Intangible Assets

	2024							
	Goodwill (Note 3)	**Concession Rights for Contracts Acquired**	**Water Rights**	**Pipeline Rights**	**Right-to-Use Transmission Line**	**Intangible Asset on Acquired O&M Agreements**	**Other Intangible Assets**	**Total**
					(In Millions)			
Cost								
Balance at beginning of year	**₱48,648**	**₱8,337**	**₱2,405**	**₱734**	**₱64**	**₱–**	**₱857**	**₱61,045**
Addition (Note 5)	**–**	**–**	**–**	**–**	**–**	**18,670**	**38**	**18,708**
Foreign currency translation adjustment	**23**	**–**	**–**	**33**	**3**	**(18)**	**1**	**42**
Balance at end of year	**48,671**	**8,337**	**2,405**	**767**	**67**	**18,652**	**896**	**79,795**
Accumulated Amortization								
Balance at beginning of year	**188**	**8,332**	**1,647**	**710**	**53**	**–**	**731**	**11,661**
Amortization (Note 23)	**–**	**5**	**96**	**26**	**7**	**311**	**33**	**478**
Foreign currency translation adjustment	**–**	**–**	**–**	**31**	**2**	**–**	**3**	**36**
Balance at end of year	**188**	**8,337**	**1,743**	**767**	**62**	**311**	**767**	**12,175**
Net Book Value	**₱48,483**	**₱–**	**₱662**	**₱–**	**₱5**	**₱18,341**	**₱129**	**₱67,620**

	2023						
	Goodwill (Note 3)	Concession Rights for Contracts Acquired	Water Rights	Pipeline Rights	Right-to-Use Transmission Line	Other Intangible Assets	Total
				(In Millions)			
Cost							
Balance at beginning of year	₱48,472	₱8,337	₱2,405	₱739	₱64	₱791	₱60,808
Addition (Note 5)	178	–	–	–	–	71	249
Foreign currency translation adjustment	(2)	–	–	(5)	–	(5)	(12)
Balance at end of year	48,648	8,337	2,405	734	64	857	61,045
Accumulated Amortization							
Balance at beginning of year	98	8,323	1,551	680	47	640	11,339
Amortization (Note 23)	–	9	96	33	7	92	237
Impairment (Note 23)	86	–	–	–	–	1	87
Foreign currency translation adjustment	4	–	–	(3)	(1)	(2)	(2)
Balance at end of year	188	8,332	1,647	710	53	731	11,661
Net Book Value	₱48,460	₱5	₱758	₱24	₱11	₱126	₱49,384

Goodwill

As at December 31, 2024 and 2023, the outstanding balance of goodwill is attributable to Red Vulcan, GCGI, FG Hydro, FGHC, MSA-PH, IBSI, and AEI.

Concession Rights for Contracts Acquired

As a result of the purchase price allocation of Red Vulcan, an intangible asset was recognized pertaining to concession rights originating from contracts of EDC amounting to ₱8,337 million. Such intangible asset pertains to the SSAs and PPAs of EDC that were existing at the time of acquisition.

The identified intangible asset is amortized using the straight-line method over the remaining term of the existing contracts ranging from 1 to 17 years. The intangible asset related to the concession rights was fully amortized as of December 31, 2024.

Water Rights

Water rights pertain to FG Hydro's right to use water from the Pantabangan reservoir for the generation of electricity. NPC, through a Certification issued to FG Hydro dated July 27, 2006, gave its consent to the transfer to FG Hydro, as the winning bidder of the Pantabangan Hydroelectric Power Plant/Masiway Hydroelectric Power Plant (PAHEP/MAHEP), the water permit for Pantabangan river issued by the National Water Resources Council on March 15, 1977.

Water rights are amortized using the straight-line method over 25 years, which is the term of FG Hydro's agreement with NIA. The remaining amortization period of water rights is 6.9 years as at December 31, 2024.

Pipeline Rights

Pipeline rights represent the construction cost of the natural gas pipeline facility connecting the natural gas supplier's refinery to FGP's power plant including incidental transfer costs incurred in connection with the transfer of ownership of the pipeline facility to the natural gas supplier. The cost of pipeline rights is amortized using the straight-line method over 22 years, which is the term of the GSPA. The pipeline rights were fully amortized as of December 31, 2024.

Right-to-Use Transmission Line

On July 15, 2015, FGPC agreed to give, transfer and convey, by way of donation, the Substation Improvements to TransCo amounting to ₱63 million pursuant to the SIA dated September 2, 1997 entered into among FGPC, NPC and Meralco. The transferred substation improvements were accounted for as intangible assets since FGPC still maintains the right to use these assets under the provisions of the PPA with Meralco and the SIA. The cost of the rights to use the Substation Improvements is amortized using the straight-line method over 10 years, which was then the remaining term of the PPA with Meralco. The remaining amortization period is less than year as of December 31, 2024.

Intangible Asset on Acquired O&M Agreements

On February 25, 2024, the Deed of Absolute Sale of the 165MW CHEPP in Pantabangan, Nueva Ecija was signed and executed by PSALM, NIA, and FRLC for a total acquisition price of ₱29,403 million. Subsequently, on February 26, 2024, the CHEPP was officially turned over to FRLC (see Note 5).

The intangible asset recognized by FRLC arises from the O&M Agreements for the non-power components and transbasin facilities, entered into with PSALM and NIA, in furtherance of and ancillary to the Asset Purchase Agreement (APA). The administration, operation and maintenance of these non-power components and transbasin facilities are essential to ensure FRLC's continued and uninterrupted full beneficial use of the CHEPP. FRLC will derive benefits from the O&M agreements by using the non-power components and transbasin facilities, including the water sourced through Casecnan and Taan rivers (see Note 31).

The O&M Agreement for the non-power components shall be effective for a term of 25 years, commencing on February 25, 2024, and may be renewed for another 25 years upon mutually agreed terms and conditions by the parties. Similarly, the O&M Agreement for transbasin facilities shall be effective for a period of 25 years, commencing on February 25, 2024, and may be renewed for a period in accordance with conditions as may be agreed upon by the parties.

In addition, on April 8, 2024, FRLC, entered into a Hydro Operating Contract (HOC) with the DOE, granting FRLC exclusive rights to the contract area for hydropower operations. The HOC, which governs the plant's hydropower operations, follows a 25-year term with a guaranteed extension for another 25 years, provided all contractual obligations are met.

As these agreements form the foundation of CHEPP's continued operations, FRLC has determined that the useful life of the identified intangible asset should span the full 50-year period, aligning with its projected economic benefits. The remaining amortization period is 49.2 years as of December 31, 2024.

Other Intangible Assets
This account includes computer software and licenses.

15. **Other Noncurrent Assets**

	2024	2023
	(In Millions)	
Right-of-use assets (Notes 27 and 31)	**₱11,538**	₱13,677
Input VAT (Note 9)	**7,048**	5,395
Advances to landowners	**3,771**	3,201
Prepaid major spare parts (Notes 12 and 31)	**3,539**	4,420
Prepaid expenses - net of current portion (Note 9)	**3,064**	2,280
Exploration and evaluation assets	**2,650**	2,151
Advances to contractors and suppliers	**397**	886
Deferred debt issuance costs (Notes 18 and 34)	**53**	150
Retirement assets (Note 24)	**46**	35
CWT	**34**	32
Others	**2,334**	2,039
	₱34,474	₱34,266

Right-of-use Assets
Right-of-use assets pertain to the recognized amounts from the lease contracts of the Group in accordance with PFRS 16 (see Notes 27 and 31). The costs of right-of-use assets are amortized using the straight-line method over the lease term.

The rollforward analysis of the right-of-use assets follows:

			2024		
	Land	**Building**	**LNG Charter Hires**	**Transportation Equipment**	**Total**
			(In Millions)		
Cost					
Balance at beginning of year	**₱524**	**₱3,045**	**₱11,787**	**₱61**	**₱15,417**
Additions (Note 31)	**–**	**–**	**29**	**10**	**39**
Adjustments (Note 31)	**–**	**–**	**45**	**–**	**45**
Balance at end of year	**524**	**3,045**	**11,861**	**71**	**15,501**
Accumulated Depreciation and Amortization					
Balance at beginning of year	**61**	**1,334**	**299**	**46**	**1,740**
Depreciation (Note 23)	**15**	**292**	**2,049**	**9**	**2,365**
Adjustments (Note 31)	**–**	**–**	**(142)**	**–**	**(142)**
Balance at end of year	**76**	**1,626**	**2,206**	**55**	**3,963**
Net Book Value	**₱448**	**₱1,419**	**₱9,655**	**₱16**	**₱11,538**

			2023		
	Land	Building	LNG Charter Hires	Transportation Equipment	Total
			(In Millions)		
Cost					
Balance at beginning of year	₱524	₱2,246	₱–	₱267	₱3,037
Additions (Note 31)	–	918	11,787	9	12,714
Adjustments (Note 31)	–	(119)	–	(215)	(334)
Balance at end of year	524	3,045	11,787	61	15,417

(Forward)

	2023				
	Land	Building	LNG Charter Hires	Transportation Equipment	Total
			(In Millions)		
Accumulated Depreciation and Amortization					
Balance at beginning of year	₱46	₱1,216	₱–	₱170	₱1,432
Depreciation (Note 23)	15	274	299	9	597
Adjustments (Note 31)	–	(156)	–	(133)	(289)
Balance at end of year	61	1,334	299	46	1,740
Net Book Value	₱463	₱1,711	₱11,488	₱15	₱13,677

Input VAT

Input VAT is broken down as follows:

	2024	2023
	(In Millions)	
First Gen	**₱8,054**	₱6,396
First Balfour	**789**	403
Others	**1**	1
	8,844	6,800
Less allowance for impairment	**1,796**	1,405
	₱7,048	₱5,395

Advances to Landowners

Advances to landowners pertain to deposits made for future acquisition of parcels of land which will be applied against the purchase price of the lots upon submission of the necessary documents for the transfer of title.

Prepaid Major Spare Parts

Prepaid major spare parts pertain to the advance payments made by First Gen group to SEI for the major spare parts that will be replaced during the scheduled maintenance outage.

Prepaid Expenses

Prepaid expenses include payments made by EDC on its real property tax (RPT) that were paid under protest to certain local government units (LGUs) totaling to ₱1,186 million and ₱1,085 million as at December 31, 2024 and 2023, respectively. The amounts paid in protest were in excess of the amounts determined using the 1.5% RPT rate stated in the Renewable Energy Law and are pending with the Local Board of Assessment Appeals (LBAA) and Central Board of Assessment Appeals (CBAA).

Prepaid expenses also includes First Gen group's outstanding input VAT claims that were applied by EDC and FG Hydro for refund. In 2018, FG Hydro's outstanding input VAT claims for the year 2016 were elevated to the Court of Tax Appeals (CTA). The said claims for refund and the subsequent motions for reconsideration at CTA division and CTA En Banc were denied. On February 28, 2023, FG Hydro filed before the SC a motion for extension of time, requesting an additional period of thirty (30) days to file a petition for review. On May 2, 2023, FG Hydro submitted a manifestation to the SC that it will no longer pursue the filing of petition for review. In 2023, FG Hydro recognized the loss on denied input VAT claim amounting to ₱16 million.

As at December 31, 2024 and 2023, the outstanding input VAT claims which are still pending with the BIR/SC/CTA amounted to ₱1,068 million and ₱955 million, respectively.

Provision for (reversal of) impairment amounted to ₱412 million in 2024, (₱123 million) in 2023, and ₱193 million in 2022. Loss on direct write-off of input VAT claims amounted to ₱80 million in 2024, ₱45 million in 2023, and ₱16 million in 2022. The amount of loss on direct write-off of Input VAT claims is included under "Others" in the "General and administrative expenses" account in the consolidated statements of income (see Note 22).

Exploration and Evaluation Assets

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱2,151**	₱2,039
Additions	**493**	116
Reclassifications/adjustments (Note 12)	**6**	4
Impairment	**–**	(8)
Balance at end of year	**₱2,650**	₱2,151

Details of exploration and evaluation assets per project are as follows:

	2024	2023
	(In Millions)	
Rangas/Kayabon	**₱1,900**	₱1,854
Amacan	**489**	82
Dauin/Bacong	**83**	81
Others	**178**	134
	₱2,650	₱2,151

Advances to Contractors and Suppliers

As at December 31, 2024 and 2023, advances to contractors and suppliers primarily pertain to advances related to the development of Rockwell Performing Arts Theater, One Proscenium projects and Mall Expansion and advance payments made by First Balfour for the construction certain projects.

Others

Others account includes non-current CWT and power plant spare parts.

16. Loans Payable

Entity	Maturities	Interest Rates	**2024**	2023
			(In Millions)	
FGPC	Various	5.125%	**₱1,811**	₱5,166
FGP	Various	5.125%	**908**	1,427
First Balfour	Various	6.00%–6.20% in 2024 and 6.00%–6.50% in 2023	**1,170**	1,270
FNPC	Various	5.65%	**–**	803
			₱3,889	₱8,666

Interest expense on the Group's loans payable totaled ₱106 million in 2024, ₱92 million in 2023, and ₱17 million in 2022 (see Note 23).

The Group availed and settled loans payable amounting to ₱6,478 million and ₱11,255 million, respectively, in 2024 and ₱10,278 million and ₱3,374 million, respectively, in 2023.

17. **Trade Payables and Other Current Liabilities**

	2024	2023
	(In Millions)	
Trade payables	**₱32,072**	₱30,090
Output VAT	**6,958**	9,266
Accruals for:		
Construction and project costs	**4,330**	3,891
Interest and financing costs	**1,834**	1,227
Other taxes and licenses	**1,650**	1,626
Personnel and administrative expenses	**432**	1,682
Others	**3,640**	2,829
Lease liabilities (Note 19)	**3,043**	3,118
Shortfall generation liability	**1,434**	1,584
Current portion of:		
Retention payable (Notes 19 and 29)	**1,392**	1,081
Customers' deposits	**957**	834
Contract liabilities (Note 19):		
Excess of collections over recognized receivables	**4,829**	1,896
Deposits from pre-selling of condominium units	–	972
Dividends payable (Note 20)	**446**	418
Retirement liability (Note 24)	**187**	111
Advance payment from members and customers	**12**	12
Derivative liabilities (Note 30)	–	42
Others (Note 10)	**3,370**	3,078
	₱66,586	₱63,757

Trade Payables
Trade payables are generally noninterest-bearing and are settled on 30 to 60-day payment terms.

Accrued Expenses
These represent accruals for construction costs of First Balfour and Rockwell, personnel and administrative expenses, interests and financing costs, taxes and licenses, and other provisions of the Group. Accrued expenses are generally settled within 12 months from end of reporting period.

Shortfall Generation Liability
Shortfall generation liability pertains to EDC's estimated liability arising from shortfall generation after an assessment is made at every financial reporting date whether the annual nominated capacity that EDC shall deliver to NPC would be met based on management's projection of electricity generation covering the contract year.

Customers' Deposits
Customers' deposit pertains to payment received in advance from customers prior to the delivery of goods or services.

Contract Liabilities
Contract liabilities consist of deposits from pre-selling of condominium units (i.e., collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition, excess of collections over recognized receivables (i.e., excess of collections over the goods and services transferred by Group based on percentage of completion) and advance payments from members and customers (membership dues received but are not yet due as at reporting period).

Revenue recognized from amounts included in contract liabilities in 2024 and 2023 amounted to ₱2,474 million and ₱2,103 million, respectively.

Deposits from pre-selling of condominium units represent cash received from buyers with pending recognition of revenue. The current portion of these deposits are expected to be applied against receivable from sale of condominium units the following year.

Dividends Payable
These mainly pertain to the unpaid cash dividends payable to FPH Parent's common stockholders, First Gen's common and preferred stockholders, and EDC's non-controlling common stockholders.

Other Payables
This includes provisions for advances from contractors and consultants, and a portion of EDC's liabilities on regulatory assessments and other contingencies (see Note 31). The account also includes the ₱116 million and ₱979 million current portion of Rockwell Land's subscription payable as of December 31, 2024 and 2023, respectively, pertaining to the JVA with IPI to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components through RIDC (see Note 10).

18. Long-term Debt

The current and noncurrent portions of the consolidated (net of debt issuance costs) of the Group follow:

	2024			2023		
	Current Portion	**Noncurrent Portion**	**Total**	Current Portion	Noncurrent Portion	Total
			(In Millions)			
Parent	**₱1,773**	**₱8,592**	**₱10,365**	₱1,470	₱9,634	₱11,104
Power generation	**15,108**	**95,994**	**111,102**	17,670	62,920	80,590
Real estate development	**5,067**	**27,140**	**32,207**	3,100	25,927	29,027
Construction and other services	**764**	**2,175**	**2,939**	419	1,784	2,203
Energy Solutions	**83**	**417**	**500**	–	500	500
	₱22,795	**₱134,318**	**₱157,113**	₱22,659	₱100,765	₱123,424

Details of the Group's long-term debts, net of debt issuance costs, follow:

				2024		2023	
Ref	Description	Maturities	Interest Rates	**US$ Balances**	**Php Equivalent**	US$ Balances	Php Equivalent
					(In Millions)		
a	**Parent**						
	₱5,000 million FXCN	March 2030	4.11% - 4.63%	**$–**	**₱3,438**	$–	₱4,063
	₱5,000 million FXCN	March 2030	6.6772%	**–**	**3,438**	–	4,063
	₱1,000 million FRCN	November 2032	6.69% floating	**–**	**883**	–	993
	₱1,000 million FXCN	November 2032	6.623%	**–**	**883**	–	992
	₱1,000 million FRCN	October 2033	6.60%, floating	**–**	**993**	–	993
	₱312.5 million FCRN	October 2033	6.60%, floating	**–**	**310**	–	–
	₱312.5 million FCRN	October 2033	6.78%, floating	**–**	**310**	–	–
	₱111 million FCRN	October 2033	6.63%, floating	**–**	**110**	–	–
	Power Generation						
	First Gen						
b	▪ $200 million Term Loan	September 2025	4.90% until repricing date on September 30, 2024; 5.09% until maturity	**27**	**1,561**	54	2,986

(Forward)

Ref	Description	Maturities	Interest Rates	**2024** US$ Balances	**2024** Php Equivalent	2023 US$ Balances	2023 Php Equivalent
					(In Millions)		
c	₱2,500 million BDO Term Loan	February 2031	4% until 5th year, 5 year BVAL + margin	**$30**	**₱1,754**	$35	₱1,962
	₱2,500 million BPI Term Loan	February 2031	4% until 5th year, 5 year BVAL + margin	**30**	**1,754**	36	1,963
	₱10,000 million BPI Term Loan	February 2034	6 month BVAL + margin	**172**	**9,932**	–	–
	₱10,000 million BDO Term Loan	February 2034	6 month BVAL + margin	**172**	**9,932**	–	–
d	**FGP**'s term loan facility with various local banks	2027	6 month Secured Overnight Financing Rate (SOFR) + 130 basis points	**137**	**7,886**	186	10,288
e	**FGPC** US$500 million Term Loan Facility	2024	6-month SOFR + 1.00% margin	–	–	36	1,975
f	**FNPC**'s $265 million Export Credit Facility	February 2028	3.12% + 25 basis points	**65**	**3,759**	83	4,586
g	**PMPC's** Term Loan Facilities						
	₱1,800 million BPI Term Loan	2024	Higher of benchmark rate + applicable margin and floor rate of 3.125%	–	–	13	707
	₱1,000 million ING Term Loan	2024	Higher of benchmark rate + applicable margin and floor rate of 3.125%	–	–	7	388
	EDC International Finance Corp (IFC)						
h	▪ IFC 2 - ₱3,300 million	October 2025	4.68% from April 16, 2021 until maturity	**4**	**245**	9	487
i	▪ IFC 3 - ₱4,800 million	March 2033	7.804%	**48**	**2,784**	56	3,108
j	▪ DBP ₱291.2 million	December 2030	5.50%	**2**	**134**	3	156

(Forward)

				2024		2023	
Ref	Description	Maturities	Interest Rates	**US$ Balances**	**Php Equivalent**	US$ Balances	Php Equivalent
					(In Millions)		
k	EBWPC Project Financing						
	▪ $37.5 million Commercial Debt Facility	October 2029	SOFR plus 2% margin plus Credit Adjustment Spread (CAS)	**$–**	**₱–**	$19	₱1,053
	▪ $150 million ECA Debt Facility	October 2029	SOFR plus 2.35% margin plus CAS	–	–	76	4,198
	▪ ₱5,600 million Commercial Debt Facility	October 2029	PDST-F rate plus 2.0% margin	–	–	52	2,859
l	Term Loans						
	▪ UBP ₱1,500 million	December 2026	5.25%	**16**	**899**	19	1,048
	▪ SBC and SBCIC ₱1,000 million	December 2031	5.5788%	**13**	**727**	14	787
	▪ UBP ₱2,000 million Term Loan	April 2032	5.44%	**17**	**997**	20	1,129
	▪ SBC ₱3,000 million Term Loan	May 2027	5.32%	**16**	**899**	23	1,257
	▪ SBC ₱500.0 million Term Loan	May 2032	5.49%	**4**	**249**	5	282
	▪ BPI ₱1,000 million Term Loan	June 2027	5.21%	**5**	**300**	8	419
	▪ SBC ₱1,000 million Term Loan	May 2032	5.43%	**9**	**498**	10	565
	▪ BPI ₱6,000 million Loan						
	○ ₱3,000 million Term Loan	April 2030	5.1323%	**34**	**1,942**	40	2,240
	○ ₱3,000 million Term Loan	April 2030	3.56%	**34**	**1,942**	40	2,240
	▪ BDO ₱4,500 million Term Loan	September 2030	4.25% until next repricing date in Sept 2025	**51**	**2,965**	63	3,499
	▪ BDO ₱2,000 million Term Loan	September 2030	4.25% until next repricing date	**23**	**1,317**	28	1,555
	▪ BPI ₱7,000 million Term Loan	March 2032	6.6038%-7.75% until next repricing in Mar 2025	**102**	**5,919**	122	6,761
	▪ UBP ₱1,000 million Term Loan	March 2032	5.831567% until next repricing date	**13**	**746**	15	845
	▪ Mizuho $50 million Term Loan	March 2027	5.45139% until next repricing date in March 2025	**50**	**2,889**	50	2,764
	▪ SBC ₱2,600 million Term Loan	April 2032	5.7829% until next repricing date in April 2027	**34**	**1,939**	40	2,196
	▪ CTBC ₱1,500 million Term Loan	June 2027	6.1869%	**19**	**1,118**	23	1,264
	▪ BDO ₱5,000 million Term Loan	September 2033	6.6819% until next repricing date in March 2025	**80**	**4,618**	36	1,985

(Forward)

Ref	Description	Maturities	Interest Rates	**2024** US$ Balances	**2024** Php Equivalent	2023 US$ Balances	2023 Php Equivalent
					(In Millions)		
	▪ CBC ₱4,000 million Term Loan	October 2032	6.1589% until next repricing date in Oct 2027	**$55**	**₱3,189**	$65	₱3,584
	▪ BDO ₱5,000 million Term Loan	September 2032	6.7029%until next repricing date in March 2025	**69**	**3,982**	81	4,478
	▪ BDO ₱2,700 million Term Loan	December 2034	6.5889% until next repricing date in June 2025	**46**	**2,680**	–	–
	▪ Mizuho $80 million Term Loan	December 2029	5.30318% until next repricing date in June 2025	**79**	**4,542**	–	–
	▪ BPI ₱3,000 million Term Loan	September 2034	6.6381% until its next repricing date in March 2025	**51**	**2,978**	–	–
	▪ BDO ₱3,000 million Term Loan	November 2034	6.33220% per annum until its next repricing date in March 2025	**51**	**2,978**	–	–
	▪ CTBC $50.0 Million Term Loan	December 2029	5.43598% until next repricing date in June 2025	**49**	**2,857**	–	–
	▪ CBC ₱3.0 Billion Term Loan	December 2034	6.5305% until next repricing date in June 2025	**51**	**2,978**	–	–
	▪ Mizuho US$50 Million Term Loan	December 2029	5.18598% until next repricing date in June 2025	**49**	**2,842**	–	–
m	Fixed Rate ASEAN Green Bonds						
	▪ Series A	June 2024	2.8565%	–	–	45	2,494
	▪ Series B	June 2026	3.7305%	**43**	**2,489**	45	2,482
	▪ Series C	May 2027	6.7478%	**51**	**2,967**	–	–
	▪ Series D	May 2029	6.8873%	**60**	**3,458**	–	–
	▪ Series E	May 2031	7.0626%	**60**	**3,457**	–	–
	Real Estate Development						
	Rockwell Land						
n	Term Loans of Parent and Retailscapes	2031	3.43%–6.24%	**–**	**29,153**	–	25,841
o	**First Batangas Hotel Corporation**	2028	9.23%	**–**	**2**	–	–

(Forward)

Ref	Description	Maturities	Interest Rates	**2024** US$ Balances	**2024** Php Equivalent	2023 US$ Balances	2023 Php Equivalent
					(In Millions)		
p	**FPIP Group**						
	BPI ₱1,000 million	Nov 2029	5.45%, 5.51%, 5.08%, 3.54%	**$–**	**₱559**	$–	₱668
	BPI ₱1,200 million	March 2032	Floating interest rate plus 3.75% - 5.50%, 4.00% - 5.50%, 6.8182%	**–**	**996**	–	1,128
	BPI ₱400 million	December 2032	Floating interest rate plus 7.32%, 8.00%	**–**	**353**	–	397
	BPI ₱300 million	September 2033	7.40%	**–**	**298**	–	298
	BPI ₱1,500 million	August 2033	7.40%	**–**	**696**	–	695
	BPI ₱150 million	March 2025	6.50%	**–**	**150**	–	–
	Construction and Other Services						
	First Balfour						
q	PNB ₱750 million	December 2029	4.75%	**–**	**337**	–	413
r	BDO ₱500 million	June 2028	4.75% - 5.00%	**–**	**300**	–	350
	BDO ₱725 million	March 2030	4.25%	**–**	**558**	–	632
	BDO ₱275 million	March 2030	4.25%	**–**	**228**	–	260
s	BPI ₱1,000 million	October 2025	5.00%	**–**	**360**	–	548
	ThermaPrime						
t	BDO ₱2,000 million	January 2029	6.9205%, subject to repricing semi-annually starting January 2025	**–**	**1,156**	–	–
	Energy Solutions						
u	**First Philec Inc.**						
	₱500 million	August 2030	7.3355%	**–**	**500**	–	500
					₱157,113		₱123,424

Total long-term debts, net of debt issuance costs, are as follows:

	2024	2023
	(In Millions)	
Gross	**₱158,181**	₱124,247
Less unamortized debt issuance costs	**1,068**	823
	157,113	123,424
Less current portion	**22,795**	22,659
	₱134,318	₱100,765

The rollforward analysis of unamortized debt issuance costs is as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱823**	₱1,027
Accretion charged to finance costs (Note 23)	**(369)**	(321)
Additions	**615**	128
Foreign exchange adjustments	**(1)**	(11)
Balance at end of year	**₱1,068**	₱823

The scheduled maturities of the consolidated long-term debts of the Group as at December 31, 2024 are as follows:

	U.S. Dollar Debt		Philippine	
Year	In US$	In Php	Peso Debt	Total
		(In Millions)		
2025	$138	₱7,982	₱15,037	₱23,019
2026	111	6,420	22,003	28,423
2027	66	3,817	16,742	20,559
2028	23	1,353	16,146	17,499
2029 and onwards	73	4,211	64,470	68,681
	$411	₱23,783	₱134,398	₱158,181

Additional information on the loans follow:

Parent Company

a. *₱5,000.0 million FXCN, ₱5,000.0 million FXCN, ₱1,000.0 million FRCN, ₱1,000.0 million FXCN, ₱1,000.0 million FRCN, ₱312.5 million FRCN, ₱312.5 million FRCN, and ₱111 million FRCN.*

   The terms of the FXCN and FRCN Facility Agreements require the Parent Company to comply with certain restrictions and covenants, which include among others: (i) maintenance of certain debt service coverage ratio at given periods; (ii) maintenance of certain levels of financial ratio; (iii) maintenance of its listing on the PSE; (iv) no material changes in the nature of business; (v) incurrence of indebtedness secured by liens, unless evaluated to be necessary; (vi) granting of loans to third parties except to subsidiaries or others in the ordinary course of business; (vii) sale or lease of assets; (viii) mergers or consolidations; and (ix) declaration or payment of dividends other than stock dividends during an Event of Default (as defined in the Agreement) or if such payments will result in an Event of Default.

   All credit facilities of the Parent Company are unsecured. As at December 31, 2024 and 2023, the Parent Company is in compliance with these restrictions and covenants.

Power Generation Companies

b. First Gen's $200 Million Term Facility

The facility imposes standard loan covenants on First Gen and requires First Gen to maintain a debt service coverage ratio of at least 1.2:1 and a debt-to-equity ratio of at most 2.5:1. The obligations of First Gen under this Term Loan Agreement are unsecured. First Gen has fully availed this term loan and will mature in September 2025. The term loan is unsecured. As at December 31, 2024 and 2023, First Gen is in compliance with the terms of the Term Loan Agreement.

c. First Gen's ₱2,500 Million and ₱10,000 Million Term Loans with BDO and BPI

- On February 9, 2021, First Gen executed 10-year Term Loan Agreements with BPI and BDO each amounting to ₱2,500 million (total of ₱5,000 million). The loan proceeds were used to partially redeem First Gen's outstanding Series "G" redeemable preferred stocks and fund other general corporate purposes.

  The interest on the loans are paid semi-annually, every February and August, at fixed interest rates of 4.00% per annum from the drawdown date to the fifth year anniversary of the respective loans. At the fifth year of the respective loans, interest will be computed at the higher of the sum of the five-year Bloomberg Valuation (BVAL) Reference Rate as of the repricing date plus a margin or 4.00% per annum.

- On November 10, 2023, First Gen executed 10-year Term Loan Agreements with BPI and BDO each amounting to ₱10.0 billion (total of ₱20.0 billion). The loan proceeds were used to partially finance the acquisition of CHEPP and fund other general corporate requirements. On February 16, 2024, First Gen fully availed the term loans with BPI and BDO.

  The facility imposes standard loan covenants on First Gen and requires First Gen to maintain a debt service coverage ratio of at least 1.2:1 and a debt-to-equity ratio of at most 2.5:1. The obligations of First Gen under these Term Loan Agreements are unsecured. As at December 31, 2024 and 2023, First Gen is in compliance with the terms of the Term Loan Agreements.

d. FGP Term Loan Facility with Various Local Banks

Long-term debt of FGP consists of U.S. dollar-denominated borrowings availed from various lenders to partly finance the operations of its power plant complex.

- On May 25, 2021 (the "Refinancing Date"), FGP entered into four (4) Term Loan Facility Agreements ("Term Loan Facilities") covering a total of ₱14,920 million ($308 million) with four banks. The proceeds were used to repay in full the aggregate principal, accrued interests and fees outstanding under the 2012 facility, to fund the debt service reserve amount in the Debt Service Reserve Account (DSRA), to fund FGP's general and corporate working capital requirements, fund investments in other power projects and investments that will support the project, and to upstream funds to its shareholders.

- On June 10, 2021, FGP made a partial drawdown on the Term Loan Facilities amounting to ₱7,320 million ($150 million). One year after, on June 10, 2022, FGP made a second drawdown on the Term Loan Facilities for the full amount of the Term Loans amounting to ₱8,809 million ($158 million).

  Total debt issuance costs incurred from the availment of the Term Loan Facilities amounted to ₱194 million.

The covenants in the secured term loan facility of FGP's financing agreement are limited to restrictions with respect to: change in corporate business; amendment of constituent documents; incurrence of other loans; granting of guarantees or right of set-off; maintenance of good, legal and valid title to the critical assets of the site free from all liens and encumbrances other than permitted liens; transactions with affiliates; and maintenance of specified debt service coverage ratio and debt to equity ratio during any Restricted Payment. FGP's real and other properties and shares of stock are no longer mortgaged and pledged as part of security to the lenders. Instead, FGP covenants to its lenders that it shall not permit any indebtedness to be secured by or to benefit from any lien on the critical assets of the site except Permitted Liens. The term loan is unsecured. As at December 31, 2024 and 2023, FGP is in compliance with the terms of the said agreements.

e. FGPC's $500 Million Term Loan Facility

Long-term debt of FGPC consist of U.S. dollar-denominated borrowings availed from various lenders to finance the operations of its power plant complex.

In April and May 2017, FGPC entered and availed, respectively, a 7-year Facility Agreement covering a ₱25,137 million ($500 million) term loan facility with six banks. As a result of the refinancing, a portion of the proceeds of the term loan facility was used to pay the outstanding loans amounting to ₱11,181 million ($222 million), and the remaining balance, after funding of the DSRA and payment of other fees and expenses, was upstreamed to First Gen on June 28, 2017 as dividends and advances which are non-interest bearing. On November 12, 2020, the advances to First Gen were fully paid.

On May 17, 2024, FGPC fully paid the remaining balance of the term loan facility amounting to ₱1,975 million ($35.7 million).

The covenants of FGPC's term loan facility are similar to the restrictions stipulated in the FGP loan facility as stated above. The term loan is unsecured. As at May 17, 2024 and December 31, 2023, FGPC is in compliance with the terms of the said agreement.

On November 13, 2018, FGPC and FGP respectively entered into an amendment agreement to the financing agreements to allow the option to fund (in whole or in part) the DSRA with stand-by letter of credit (SBLC) issued by an investment grade SBLC provider. On November 19, 2018, FGPC provided a 5.5-year SBLC issued by MUFG Bank Ltd. (MUFG); while FGP provided a 1-year SBLC issued by Mizuho Bank, Ltd. (Mizuho) on December 10, 2018. The FGP SBLC for its DSRA was renewed in 2019 and 2020, and subsequently cancelled in June 2021 with the prepayment of the ₱17,525 million ($420 million) term loan facility. The purpose of the SBLC is to ensure that the DSRA is fully funded at all times, in accordance with the financing agreements, until full satisfaction of the obligations of FGPC and FGP under their respective financing agreements. Following the full settlement of the FGPC Facility Agreement in May 2024, the corresponding SBLC was likewise terminated.

The Term Loan Facilities entered into by FGP last May 25, 2021 includes the provision to fund (in whole or in part) the DSRA with SBLC issued by an investment grade SBLC provider. On June 4, 2021, FGP provided 1-year SBLCs issued by BDO and MUFG in favor of the Lenders of the Term Loan Facilities. This SBLC is being extended annually with the most recent extension expiring in June 2025. The purpose of the SBLC is to ensure that the DSRA is fully funded at all times, in accordance with the financing agreements, until full satisfaction of the obligation of FGP under the financing agreements.

f. FNPC's $265 Million Export Credit Facility

This secured facility has an export credit guarantee provided by Euler Hermes, acting on behalf of the Federal Republic of Germany. FNPC (as the Borrower) and AlliedGen, a related party (as the Pledgor), also signed a Pledge Agreement wherein AlliedGen has pledged over 100% of the issued and outstanding capital stock of FNPC in favor of KfW-IPEX. Furthermore, First Gen signed a Guarantee and Indemnity Agreement with KfW-IPEX, guaranteeing FNPC's punctual performance on all its payment obligations under the Export Credit Facility loan agreement. Total drawdowns amounted to ₱10,229 million ($229.4 million).

As at December 31, 2024 and 2023, FNPC is in compliance with the covenants as set forth in its agreement with KfW-IPEX.

g. PMPC's ₱2,800 Million Term Loan Facilities

On December 1, 2021, PMPC entered into two (2) 3-year unsecured Term Loan Facility Agreements covering a total of ₱2,800 million with two banks namely: BPI and ING Bank N.V., Manila Branch (ING) (the "Term Loan facility"). The Term Loan facility for each of BPI and ING amounted to ₱1,800 million and ₱1,000 million, respectively. The proceeds will be used to fund fees and expenses incurred in connection with the facilities, to fund the debt service reserve amount in the DSRA, to fund the general corporate and working capital requirements, to fund investments in other power projects, to fund investments that will support the Project, and/or to make Restricted Payment with an amount equal to the balance remaining in the Operating Accounts. On December 14, 2021, PMPC made a full drawdown on the Term Loan facility amounting to ₱2,800 million. On December 14, 2024, the remaining balance of the Term Loan Facility amounting to ₱1,100 million was fully paid..

The covenants in the Term Loan facility are limited to restrictions with respect to: change of corporate business; amendment of constituent documents; incurrence of other loans; granting of guarantees or right of set off; transactions with affiliates; maintenance of good, legal and valid title to the critical assets of the site free from all liens and encumbrances other than permitted liens; and compliance with the specified debt service coverage ratio during any Restricted Payment. As at December 14, 2024 and December 31, 2023, PMPC is in compliance with the terms of the said agreement.

h. EDC's ₱3,300 million Loan Agreement with IFC

EDC entered into a loan agreement with IFC, a shareholder of EDC, on November 27, 2008 for ₱4,100 million. On January 7, 2009, EDC opted to draw the loan in Peso. The loan is payable in 24 equal semi-annual installments after a three-year grace period at an interest rate of 7.4% per annum for the first five years subject to repricing for another 5 to 10 years. Under the loan agreement, EDC is restricted from creating liens and is subject to certain financial covenants. On April 15, 2023, EDC fully paid the IFC ₱4,100 million loan.

On May 20, 2011, EDC signed a 15-year ₱3,300 million ($75 million) loan facility with IFC to fund its medium-term capital expenditures program. The loan was drawn in peso on September 30, 2011 amounting to ₱3,300 million. The loan is payable in 24 equal semi-annual installments after a three-year grace period at an interest rate of 6.657% per annum. The loan includes prepayment option, which allows EDC to prepay all or part of the loan anytime starting from the date of the loan agreement until maturity. The prepayment amount is equivalent to the sum of the principal amount of the loan to be prepaid, redeployment cost and prepayment premium. In April 2021, the ₱3,300 million IFC Loan that was drawn in September 2011 was repriced at a fixed rate of 4.68% per annum for the remaining tenor of the loan until maturity. All other terms and conditions of IFC Loan 2 remained the same.

i. EDC's ₱4,800 Million Loan Agreement with IFC

On March 22, 2018, EDC signed a 15-year ₱4,800 million ($90 million) loan facility with IFC to fund its 2018 capital expenditures and other general corporate requirements of its existing geothermal operations. The loan was drawn in Peso on June 22, 2018 amounting to ₱4,800 million.

Following the consummation of this financing agreement, EDC and IFC have agreed to amend and reduce the interest rate of the first two (2) loans to 1.30% per annum.

On August 17, 2023, EDC and IFC executed a LIBOR Transition Amendment Agreement to replace the USD LIBOR references under the default rate interest provision of the Second Loan to Secured Overnight Financing Rate (SOFR) plus credit adjustment spread equal to 0.42825%, in view of the cessation of publication of the USD LIBOR on June 30, 2023.

j. EDC's ₱7,000 Million Peso Fixed-Rate Bonds

On May 3, 2013, EDC issued fixed-rate peso bonds with an aggregate principal amount of ₱7,000 million. The FXR bonds, which are listed on the Philippine Dealing and Exchange Corp. (PDEx), are comprised of (i) ₱3,000 million seven-year bonds at 4.1583% and (ii) ₱4,000 million 10-year bonds at 4.7312% due on May

3, 2020 and May 3, 2023, respectively. The net proceeds of the FXR bonds were used to partially fund the 87 MW Burgos Wind project located in Burgos, Ilocos Norte with estimated project cost of $300.0 million. On May 4, 2020 and May 3, 2023, EDC fully settled the ₱3,000 million seven-year and ₱4,000 million ten-year bonds, respectively.

k. EDC's ₱291.2 Million Term Loan

On December 8, 2015, EDC secured a ₱291.2 million unsecured loan from Development Bank of the Philippines (DBP). The proceeds were used to finance the Burgos Solar Phase 1 project. On December 17, 2017, the loan agreement was amended to reduce the interest rate to 5.50% per annum.

l. EBWPC's Project Financing

On October 17, 2014, EDC secured a $315 million financing facility agreement, which covers a Peso Commercial Debt Facility of ₱5,600 million, an ECA Debt Facility of $150.0 million, and a USD Commercial Debt Facility of $37.5 million, from local and foreign banks for the construction of the 150 MW Burgos Wind project in Ilocos Norte. The facility consists of U.S. Dollar and Philippine Peso-denominated tranches which will mature in 15 years. Portion of the proceeds received from the financing facility was used to settle the outstanding bridge loans availed in October 2014.

Under the agreement of the EBWPC's Project Financing, EBWPC entered into Mortgage Agreement with Philippine National Bank (PNB), the Onshore Collateral Agent. The Mortgage shall cover all of the assets of EBWPC whether such assets now exist or at any time hereafter come into existence, or are now at any time hereafter acquired, and whether any such later acquisition is by way of addition thereto or substitution of any component part thereof, together with all the rights and interests therein.

Under the agreement of the EBWPC's secured project financing, EBWPC's debt service is guaranteed by EDC. In the last quarter of 2014, EBWPC entered into seven (7) interest rate swap (IRS) agreements with an aggregate notional amount of ₱9,246 million ($181 million). This is to partially hedge the interest rate risks on its ECA and Commercial Debt Facility (Hedged Loan) that is benchmarked against six (6) months U.S. LIBOR.

In August 2019, pursuant to the "reserve support instruments" clause of the loan agreement, EBWPC secured an acceptable credit support instrument from EDC in lieu of cash deposit standing in the DSRA.

On October 27, 2023, EBWPC and the Project Financing lenders executed a Global Deed of Amendment for LIBOR Transition to replace the USD LIBOR references under the ECA Debt Facility and USD Commercial Debt Facility to Term SOFR plus credit adjustment spread of 0.42825%, in view of the cessation of publication of the USD LIBOR on June 30, 2023. EBWPC also amended the trade confirmations with the IRS swap counterparties to transition from LIBOR to Term SOFR benchmark prior to the next repricing in December 2023.

As at December 31, 2023, EBWPC had seven (7) IRS agreements with an aggregate notional amount of $118 million. This was to partially hedge the interest rate risks on its Hedged Loan that was benchmarked against six (6) months Term SOFR (see Note 30). Four (4) of the IRS transactions were subsequently terminated on October 21, 2024.

On December 13, 2024, EBWPC secured an interest-free subordinated shareholder advances from EDC and voluntarily prepaid the principal outstanding of the Burgos Wind Project (BWP) project financing (PF) on December 16, 2024. With the prepayment of the PF, the remaining three (3) IRS were also subsequently terminated on December 16, 2024. EBWPC and the BWP PF parties subsequently executed a Global Deed of Release and Termination, discharging each party of its obligations under the PF agreements and reassigning to the Borrower all rights, title and interest in any collateral security or security interest previously created under the PF security documents.

On December 16, 2024 and December 17, 2024, EBWPC signed a bilateral corporate term loan agreements with BDO for ₱5,000 million and Mizuho for $80 million, where EBWPC drew ₱2,700 million and

$80 million, respectively, to repay the advances received from EDC for the prepayment of the BWP PF, to fund capital expenditures, and/or for general corporate purposes. Under the term loan agreements with BDO and Mizuho, any debt service shortfall amount is guaranteed by EDC.

m. EDC's Term Loans

EDC obtained several term loans with various financial institutions to refinance the outstanding maturing bonds and to fund other general corporate purposes.

n. Fixed Rate ASEAN Green Bonds

On June 25, 2021, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱5,000 million. The bonds, which are listed on the PDEx, are comprised of ₱2,500 million 3-year Series A bonds at 2.8565% per annum due on June 25, 2024 and a ₱2,500 million 5-year Series B bonds at 3.7305% per annum due on June 25, 2026.

On May 27, 2024, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱10,000 million. The bonds, which have been listed on the PDEx, are comprised of ₱3,000 million 3-year Series C bonds at 6.7478% per annum, ₱3,500 million 5-year Series D bonds at 6.8873% per annum, and a ₱3,500 million 7-year Series E bonds at 7.0626% per annum due on May 27, 2027, May 27, 2029 and May 27, 2031, respectively.

On June 25, 2024, EDC fully settled the ₱2.5 billion 3-year Series A bonds.

Unused Credit Facilities. As at December 31, 2024 and 2023, EDC has unused credit facilities from various local banks equivalent to ₱9,800 million ($170.3 million) and ₱4,900 million ($88.2 million), respectively, which may be availed for future operating activities.

Loan Covenants. The loans of EDC and its subsidiaries are subject to certain financial covenants. Under the various loan agreements, EDC and EBWPC are also subject to debt incurrence ratios and equity distribution restriction ratio, depending on the counterparty, in each case subject to certain exceptions and conditions.

As at December 31, 2024 and 2023, EDC and EBWPC are in compliance with the loan covenants of all their respective outstanding debts.

<u>Real Estate Companies</u>

o. Rockwell Land's and Retailscapes' Term Loans

This comprised of the various credit facility entered into by Rockwell Land and a term loan facility secured by Retailscapes. As at December 31, 2024 and 2023, the said facilities were already availed by Rockwell Land and Retailscapes, respectively.

As at December 31, 2024 and 2023, Rockwell Land has complied with the covenants required under the Term Loans.

p. First Batangas Hotel Corporation – Transportation Equipment Financing Loan

On December 13, 2024, FBHC entered into a ₱1,900 million loan agreement with BDO to finance the acquisition of transportation equipment. The loan is payable in three years with an interest rate of 9.2260%.

q. FPIP's Loan Agreements with BPI

On October 25, 2019, FPIP and FPDMC issued promissory notes to BPI totaling ₱550 million. On February 28, 2020 and July 7, 2020, FPIP and FPDMC issued additional promissory notes to BPI totaling ₱200 million and ₱250 million, respectively. Notes payable are payable over 10 years and bear interest of 3.54%–5.51% per annum and are not secured by collateral.

On March 15, 2022, FPDMC executed another ₱1,200 million 10-year term loan agreement with BPI. The loan will mature on March 17, 2032. The Notes bear floating interest of 3.75%–6.82% per annum and are not secured by collateral.

In 2022, FUI also executed a ₱400 million 10-year loan agreement with BPI. The total drawn amount as at December 31, 2022 is ₱200 million bearing a floating interest plus 7.32% per annum. FUI made another loan drawdown in 2024 amounting to ₱200 million with an interest rate of 8.00% per annum.

In 2024, FUI executed a short term credit facility with BPI. FUI made a drawdown of ₱150 million last September 23, 2024 bearing a fixed interest rate of 6.5%.

On September 27, 2023, FPDMC executed another 10-year term loan agreement with BPI amounting to ₱300 million. The note bear interest of 7.40% and is not secured by collateral.

In 2023, FPIP executed a ₱1,500.0 million 10-year term loan agreement with BPI. The loan will mature on August 27, 2033. On September 27, 2023, FPIP made a loan drawdown amounting to ₱700 million with an interest rate of 7.4% and is not secured by collateral.

Construction and Other Services

r. First Balfour's Loan Agreement with PNB

In January 2019, First Balfour entered into a loan agreement with PNB amounting to ₱750 million, divided into two tranches, for the acquisition of real property and machinery and equipment. Tranche A amounting to ₱250 million, which is payable semi-annually over ten (10) years, and Tranche B amounting to ₱500 million, which is payable semi-annually over eight (8) years. Initial drawdown totaling to ₱410 million was made in January 2019 and was fully drawn in October 2019.

s. First Balfour's Loan Agreement with BDO

In June 2020, First Balfour entered into a loan agreement with BDO amounting to ₱500 million payable semi-annually over eight (8) years to finance capital expenditure requirements and refinance existing term loans with other banks. The loan amount was fully drawn in July 2020.

In April 2021, First Balfour entered into a Facility Agreement with BDO amounting to ₱725 million to finance capital expenditure requirements and refinance existing term loans with other banks. The loan amount was fully drawn in several tranches in 2022.

In February 2023, First Balfour entered into another Facility Agreement with BDO amounting to ₱275 million. The loan amount was fully drawn in several tranches in 2023.

t. First Balfour's Loan Agreement with BPI

In October 2020, First Balfour entered into a loan agreement with BPI amounting to ₱600 million payable over 18 equal quarterly payments over five (5) years to refinance its existing debt and to fund other general corporate requirements.

In February 2021, First Balfour entered into another loan agreement with BPI amounting to ₱400 million payable over 18 quarterly payments over five (5) years, inclusive of a 6-month grace period on principal repayment. The loan amount was fully drawn in several tranches in 2021.

All the loans of First Balfour are unsecured.

u. ThermaPrime's Equipment Financing Loan

On January 23, 2024, Thermaprime entered into a ₱2,000 million loan agreement with BDO with an initial loan drawdown of ₱300 million on January 31, 2024 to finance the acquisition of equipment and working capital requirements. The loan is payable over nine (9) semi-annual payments starting January 31, 2025 until January 31, 2029 with interest rate of 6.9205%. Interest shall be paid semi-annually in arrears and computed on the basis of 180 days over a year of three hundred sixty (360) days.

v. First Philec, Inc. (FPI)

On August 15, 2023, FPI entered into a loan agreement to finance its working capital requirement and general corporate purposes. This loan is for seven years and subject to interest rate of 7.3355%.

Loan Covenants. Under the loan agreements, First Balfour and ThermaPrime shall maintain a Debt-to-Equity ratio of not greater than 2.0x until the payment of the loan, calculated on the basis of the annual audited financial statements. Further, they shall maintain a Debt Service Coverage ratio of not less than 1:1.

The Agreement also provides that until payment in full of the principal amount, interest penalty and other amounts, First Balfour and ThermaPrime is subject to negative covenants requiring prior approval of the creditor for specified corporate acts.

As at December 31, 2024 and 2023, First Balfour and ThermaPrime are in compliance with all the requirements of its debt covenants.

Interest Expense on Long-term Debts
The Group's total interest expense on long-terms debt amounted to ₱8,063 million in 2024, ₱7,221 million in 2023, and ₱5,859 million in 2022 (see Note 23).

19. Asset Retirement and Preservation Obligations, and Other Noncurrent Liabilities

Asset Retirement and Preservation Obligation
The Group's asset retirement and preservation obligations consist of the following:

First Gen and EDC. Under their respective ECCs issued by the Department of Environment and Natural Resources (DENR), FGP, FGPC, FNPC, and PMPC have legal obligations to dismantle their respective power plant assets at the end of their useful lives. FG Bukidnon, on the other hand, has a legal obligation under the HSC to dismantle its power plant asset at the end of its useful life. EDC also has legal obligations to dismantle the steamfields and power plants located in the contract areas for which EDC is legally and constructively liable. FGP, FGPC, FNPC, PMPC, FG Bukidnon and EDC have established provisions to recognize the estimated liability for the dismantlement of the power plant assets.

Also, FCRS and production wells include the estimated rehabilitation and restoration costs of EDC's steam fields and power plants' contract areas at the end of the contract period. These were based on technical estimates of probable costs which may be incurred by EDC in the rehabilitation and restoration of the said steam fields and power plants' contract areas, discounted using a risk-free discount rate and adjusting the cash flows to settle the provision. Similarly, EBWPC has recorded an estimated provision for asset retirement obligation relating to the removal and disposal of all wind farm materials, equipment and facilities from the contract areas at the end of contract period (see Note 12).

FPIC. APO recognized by FPIC in 2013 represents the net present value of obligations associated with the preservation of property and equipment that resulted from acquisition, construction or development and the normal operation of property and equipment. Asset retirement and preservation obligations amounted to ₱745 million as at December 31, 2024 and 2023 (see Note 12).

Movements of the asset retirement and preservation obligations follow:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱3,798**	₱3,406
Effect of revision of estimate (Note 12)	**69**	224
Accretion of finance costs (Note 23)	**186**	175
Foreign exchange adjustment	**(26)**	(7)
Balance at end of year	**₱4,027**	₱3,798

Other Noncurrent Liabilities

	2024	2023
	(In Millions)	
Lease liabilities - net of current portion (Note 17)	**₱8,769**	₱10,107
Contract liabilities - net of current portion (Note 17)	**1,287**	315
Retention payable - net of current portion (Note 17)	**609**	1,596
Others (Note 10)	**4,665**	6,292
	₱15,330	₱18,310

Retention Payable
Retention payable is the portion of the amount billed by contractors that is being withheld as security in case the Group incurs costs during the defects and liability period, which is one year after a project's completion. This is subsequently released to the contractors after the said period.

The Group uses discounted cash flow analysis to measure the fair value of retention payable. The resulting difference between the transaction price and fair value at initial recognition is recognized in the consolidated statements of financial position as a reduction from "Real estate inventories". The retention payable is carried at amortized cost using the EIR method. The amortization of discount on retention payable is expensed as part of the "Finance costs" account in the consolidated statements of income.

Lease Liabilities
Lease liabilities were recognized from the Group's lease agreements based on the present value of the remaining lease payments over the lease term, discounted using the incremental borrowing rate at the date of initial application.

The rollforward analysis of lease liabilities follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱13,225**	₱1,438
Additions	**39**	12,714
Payments	**(2,618)**	(712)
Adjustments (Note 31)	**507**	(422)
Accretion of finance cost (Notes 23 and 31)	**659**	207
Balance at end of year	**11,812**	13,225
Less current portion (Note 17)	**3,043**	3,118
Noncurrent portion	**₱8,769**	₱10,107

Contract Liabilities
This pertains to cash received from pre-selling activities, security deposits of Rockwell Land, and advance rental payments received by FPIP (see Note 17).

Others
Others include the following:

- The Group's estimate of the probable costs for its outstanding legal cases and regulatory assessments. As allowed under PAS 37, no further disclosures were provided as this might prejudice the Group's position on this matter (see Note 32).

- Rockwell Land's noncurrent portion of the subscription payable of ₱2,321 million and ₱2,355 million as of December 31, 2024 and 2023 is related to its investment in RNDC and RIDC (see Note 10).

- Cash received by First Gen from Tokyo Gas Co., Ltd. (Tokyo Gas) for the development of FGen Batangas LNG Terminal Project in accordance with the Joint Development Agreement (JDA) entered with First Gen in December 2018. The JDA is a preliminary agreement between the parties to pursue development work to achieve a Final Investment Decision (FID). On October 6, 2020, First Gen and Tokyo Gas executed a Joint Cooperation Agreement (JCA) which represents the next phase of their joint development of FGEN LNG's IOT Project. Under the JCA, Tokyo Gas will have a 20% participating interest in the IOT Project and provide support in development, construction, operations and maintenance work to achieve an FID. Under the JCA, the parties will enter into a Definitive Agreement in respect to the IOT Project.

As at December 31, 2024 and 2023, total cash received from Tokyo Gas amounted to ₱4,529 million ($78 million) and ₱3,461 million ($62 million), respectively. On December 27, 2024, the Philippine SEC approved FGEN LNG's application of confirmation of valuation of Tokyo Gas' and LNG Holding's investments. Tokyo Gas' cash investment amounting to ₱3,719 million ($65 million) was presented as deposit for future stock subscriptions under "Equity attributable to non-controlling interest" account in the consolidated statement of financial position as of December 31, 2024 and was subsequently converted into capital stock following the fulfillment of the Share Subscription Agreement (SSA) conditions in February 2025 (see Note 34).

- Proceeds received by EDC from the Joint Crediting Mechanism (JCM) Program of the Ministry of Environment of Japan (MOEJ) for the 29 MW Palayan Bayan Project and Tanawon Project with aggregate amounts of ₱1,183 million and ₱785 million as of December 31, 2024 and 2023, respectively. The JCM Program encourages projects to use low carbon technologies and infrastructure that contribute to sustainable development in developing countries such as the Philippines. Under the JCM Program, the Japanese Government provides subsidy or financial assistance in exchange for credits corresponding to the greenhouse gasses emission reductions. This allows the Japanese Government to achieve its overall emissions reduction targets. The MOEJ can demand repayment of the amount if certain conditions are not met.

  Under the JCM Program, EDC is required to assign 50% or more of the issued JCM credit corresponding to GHG emission reductions achieved by the registered JCM projects to the Japanese government, until the end of their legal durable years as stipulated under the Japanese law.

20. **Equity**

a. Common Stock

	2024		2023	
	Number of Shares	**Amount *(In Millions)***	Number of Shares	Amount *(In Millions)*
Authorized - ₱10 par value per share	**1,210,000,000**	**₱12,100**	1,210,000,000	₱12,100
Issued shares at beginning and end of year	**609,649,639**	**₱6,096**	609,649,639	₱6,096
Shares in treasury*:				
Balance at beginning of year	**148,772,559**	**₱9,893**	139,739,706	₱9,348
Redemption during the year	**872,300**	**54**	9,032,853	545
Balance at end of year	**149,644,859**	**₱9,947**	148,772,559	₱9,893
Outstanding shares at end of year	**460,004,780**		460,877,080	

** Includes 2,709,011 FPH common stocks owned by FPUC amounting to ₱193 million*

On May 3, 1963, the PSE approved FPH's application to list 601,859,558 common stocks at an offer price of ₱15.78 per share. There are 11,854 and 11,902 shareholders of the Parent Company's common stocks as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, capital in excess of par value amounted to ₱4,076 million.

In 2024 and 2023, the BOD of the Parent Company declared cash dividends as follows:

Declaration Date	Record Date	Payment Date	Outstanding Shares	Dividend per share	Amount *(In Millions)*
Nov. 7, 2024 (regular)	Nov. 25, 2024	Dec. 18, 2024	462,713,791	₱1.10	₱509
May 2, 2024 (regular)	May 23, 2024	June 17, 2024	463,586,091	₱1.10	₱510
Nov. 10, 2023 (regular)	Nov. 28, 2023	Dec. 18, 2023	463,586,091	₱1.10	₱510
May 4, 2023 (regular)	May 22, 2023	June 15, 2023	469,322,017	₱1.10	₱516

As at December 31, 2024 and 2023, dividends payable to common stockholders of the Parent Company amounted to ₱390 million and ₱364 million, respectively (see Note 17).

Share Buyback

On July 4, 2019, the BOD approved the allotment of ₱5,000 million for a Share Buyback Program up to July 2020.

In December 2021, the BOD approved the allotment of ₱4,200 million for the same program up to December 31, 2024.

In May 2024, the BOD approved a further 2-year extension of its common share buy-back program from July 2024 to July 2026, as well as an additional allotment of ₱3,600 million.

Below are the common stock share buyback transactions of the Parent Company from 2021–2024:

Year	Number of shares bought back	Total costs	Cumulative number of shares bought back	Total costs of cumulative shares bought back	Average cost per share
2024	872,300	₱54 million	146,935,848	₱9,754 million	₱66.4
2023	9,032,853	545 million	146,063,548	9,700 million	66.4
2022	14,700,000	892 million	137,030,695	9,155 million	66.8
2021	17,227,050	1,252 million	122,330,695	8,263 million	67.6

b. Preferred Stock

	2024		2023	
	Number of Shares	**Amount *(In Millions)***	Number of Shares	Amount *(In Millions)*
Authorized - ₱100 par value per share	**107,000,000**	**₱10,700**	107,000,000	₱10,700
Issued and outstanding	**–**	**–**	–	–

c. Equity Reserve

As at December 31, 2024 and 2023, share attributable to the Parent Company consists of:

	Amount *(In Millions)*
First Gen's acquisition of 40% stake in the First Gas Group	(₱7,170)
Parent Company's acquisition of 40% stake in FPUC and dilution of interest in First Gen	(2,581)
EDC's acquisition of FG Hydro	1,286
Northern Terracotta's acquisition of EDC shares	(357)
Common stock issuance of EDC	279
Rockwell Land's equity adjustment	252
First Philec's transactions with non-controlling shareholders in FPSC	(201)
First Gen and Northern Terracotta's acquisition of EDC shares	90

(Forward)

	Amount *(In Millions)*
Parent Company's purchase of Rockwell Land shares from San Miguel Corporation	₱86
Purchase of treasury stocks by EDC	(81)
FLVI's acquisition of TerraPrime shares	(53)
First Gen's acquisition of Prime Terracota preferred shares	(9)
	(₱8,459)

- *First Gen's acquisition of 40% stake in the First Gas Group*

  On May 30, 2012, First Gen, through its wholly owned subsidiary, Blue Vulcan, acquired from BG Asia Pacific Holdings Pte. Limited (BGAPH) [a member of the BG Group] the entire outstanding capital stock of Bluespark. Bluespark's wholly owned subsidiaries, namely: Goldsilk, Dualcore, and Onecore own 40% of the outstanding capital stock of FGHC and subsidiaries (collectively referred to as First Gas Group). Following the acquisition of Bluespark, the Group now beneficially owns 100% of First Gas Group through its intermediate holding companies.

  The total consideration was allocated to the other assets and liabilities of Bluespark based on the relative fair values of these assets and liabilities. The excess of the consideration paid over the relative fair values of assets and liabilities were then allocated to the acquisition of the 40% equity interest in First Gas Group. As a result of the transaction, First Gen recognized an adjustment to equity reserve of ₱10,788 million ($248 million) in 2012. The amount attributable to the Parent Company is ₱7,170 million.

- *Parent Company's Acquisition of 40% stake in FPUC from Union Fenosa Internacional, S.A and Dilution of Interest in First Gen*

  The amount of ₱2,581 million represents the net effect of FPH's acquisition of 40% of FPUC from Union Fenosa Internacional, S.A.'s on January 23, 2008 and of the dilution of FPH's interest in First Gen as a result of the latter's public offering of common shares in 2006.

- *EDC's acquisition of FG Hydro*

  On October 16, 2008, EDC purchased from First Gen the 60% of the outstanding equity of FG Hydro, which was then a wholly owned subsidiary of First Gen prior to the Share Purchase and Investment Agreement (SPIA). FG Hydro and EDC were subsidiaries of First Gen at that time and were, therefore, under common control of First Gen. The acquisition was accounted for similar to a pooling of interest method since First Gen controlled FG Hydro and EDC before and after the execution of the SPIA. EDC recognized equity reserve pertaining to the difference between the acquisition cost and EDC's proportionate share in the paid-in capital of FG Hydro.

- *Northern Terracotta's acquisition of non-controlling interest in EDC*

  On August 3, 2017, First Gen entered into an Implementation Agreement with PREHC, Red Vulcan and Northern Terracotta. Subsequently, Red Vulcan entered into a Shareholders' Agreement with PEMBV, PREHC and EDC on September 29, 2017, which sets out the agreement of the parties with respect to the management of EDC. First Gen and Northern Terracotta tendered to PREHC their 992 million and 986 million common stock, respectively, subject to scale-back provisions under applicable regulations.

  Following the implementation of the scale back announced by PREHC, the tendered shares were 842.9 million and 838.2 million common stock for First Gen and Northern Terracotta, respectively. Red Vulcan did not participate in the tender offer process and retained its existing common stocks and voting preferred stocks, which correspond to 60.0% voting stake in EDC. First Gen continues to consolidate EDC given its current controlling stake. However, First Gen's economic interest in EDC was reduced to 41.6% after the transaction from 50.6% as at December 31, 2016. The amount of equity reserve pertaining to the sale of EDC common stocks amounted to ₱7,409 million ($141 million).

- *Common stocks issuance of EDC*

  On December 3, 2018, the BOD of EDC approved the issuance of additional 326.3 million non-preemption common stock to PREHC out of its unissued capital stock for a total consideration of ₱2,365 million ($45 million) or at an issue price of ₱7.25 per common stock. The amount of increase in equity reserve pertaining to the issuance of EDC common stocks attributable to the Parent Company amounted to ₱279 million.

  As at December 31, 2024 and 2023, First Gen has 65% effective voting interest in EDC through Prime Terracota.

- *Rockwell Land's equity adjustment*

  This account represents the difference between the consideration received from the sale of the proprietary shares and the carrying value of the related interest.

- *First Philec's transactions with non-controlling shareholders in FPSC*

  In 2016, First Philec received all of SPML's shares of stock in FPSC as part of their arbitration settlement. The transfer of shares resulted into an equity reserve adjustment of ₱201 million.

- *Purchase of treasury stocks by EDC*

  On August 7, 2018, the BOD of EDC approved the petition for voluntary delisting (the Delisting) of its common stocks from the Main Board of the PSE and, in accordance with the PSE's delisting rules and regulations, to conduct a tender offer for up to 2.04 billion common stocks held collectively by all shareholders of EDC other than Red Vulcan, First Gen, Northern Terracotta, and PREHC, at a price of ₱7.25 per common stock.

  Following the completion of the tender offer, a total of 2.0 billion common stocks, representing approximately 10.72% of EDC's outstanding voting shares were tendered pursuant to the tender offer, accepted and thereafter purchased by EDC via a block sale through the facilities of the PSE on November 5, 2018. The shares were purchased at the tender offer price with a total transaction value of ₱14,566 million ($278 million).

  The amount of reduction in equity reserve pertaining to the Delisting attributable to the Parent Company amounted to ₱81 million.

d. Parent Company's Retained Earnings Account Available for Dividend Declaration

   The unappropriated retained earnings as at December 31, 2024 and 2023 include undistributed net earnings of subsidiaries and associates amounting to ₱9,325 million and ₱6,567 million, respectively. Such undistributed net earnings are not currently available for dividend distribution unless declared by the subsidiaries and associates to FPH.

   Retained earnings amounting to ₱9,947 million and ₱9,893 million, as at December 31, 2024 and 2023, respectively, equivalent to the treasury stock are also not available for dividend distribution.

   On October 9, 2019, the BOD approved the appropriation of the Parent Company's retained earnings amounting to ₱28,700 million for capital expenditures, debt service coverage requirements, additional investment in subsidiaries and share buyback program for a period of three years or up to December 31, 2021. On December 2, 2021, the BOD approved the extension of the appropriation of the Parent Company's retained earnings for another three years from December 31, 2021 or up to December 31, 2024. The Parent Company is yet to determine further retained earnings appropriation as necessary in 2025.

   On May 4, 2023, the BOD approved to increase the appropriation of the Parent Company's retained earnings from ₱28,700 million to ₱32,700 million, for the same purpose discussed above, valid until December 31, 2024.

e. Non-controlling interests (NCI)

In 2024 and 2023, the Group's subsidiaries declared and paid cash dividends to non-controlling shareholders amounting to ₱4,674 million and ₱4,366 million, respectively.

Dividends payable to NCI amounted to ₱56 million and ₱54 million as of December 31, 2024 and 2023, respectively.

- EDC

  In 2015, First Gen, through its subsidiary Northern Terracotta, acquired EDC common stocks amounting to ₱399 million ($9 million). The amount of equity reserve pertaining to the acquisition of non-controlling interests amounted to ₱272 million ($6 million).

  Following the voluntary tender offer that was conducted by PREHC in September 2017 and the implementation of the scale back provisions in relation to the tender offer, First Gen and Northern Terracotta tendered to PREHC their 842.9 million and 838.2 million common stocks, respectively. However, First Gen's economic interest in EDC was reduced to 41.6% after the transaction from 50.6% as at December 31, 2016.

  As at December 31, 2024 and 2023, First Gen has 65% effective voting interest in EDC through Prime Terracota.

- First Gen

  On July 1, 2020, the global investment firm KKR acquired 427,041,291 common stocks of First Gen for a total investment value of ₱9,600 million ($192 million), representing an approximate 11.9% economic interest, or an 8.4% voting interest in First Gen. These shares represent all of the shares that were tendered by the public to Valorous Asia Holdings (Valorous), an entity controlled by KKR investment funds. The acquisition follows the completion of a voluntary tender offer for First Gen's common stocks filed with the Philippine SEC on May 26, 2020 by Valorous. The tender offer period ran from May 27 to June 24, 2020 at an offer price of ₱22.50 per common stock.

  Meanwhile, Philippines Clean Energy Holding Inc. (PCEHI), a subsidiary of Valorous, announced on August 27, 2021 its intent to acquire a minimum of 3.0% up to a maximum of 5.7% of First Gen's total issued and outstanding common stocks through a voluntary and public tender offer. The tender offer period ran from September 1 to September 29, 2021 at an offer price of ₱33.00 per common stock.

  On October 8, 2021, PCEHI further acquired 262,937,672 common stocks of First Gen for a total investment value of ₱8,700 million, representing an approximate 7.3% economic interest, or a 5.2% voting interest in First Gen. These shares represent all of the shares that were tendered by the public to PCEHI. As at December 31, 2024 and 2023, KKR owns and holds 715,855,363 common stocks of First Gen, representing an approximate 19.9% economic interest, or a 14.1% voting interest in First Gen.

  In 2021, First Gen purchased from the open market 51,546,960 Series "G" redeemable preferred stocks for ₱5,572 million ($116 million) and 1,339,000 common stocks for ₱39 million ($0.8 million).

  On February 17, 2022, First Gen purchased from the open market 1,263,230 Series "G" redeemable preferred stocks for ₱130 million ($3 million).

  On May 18, 2022, the BOD of First Gen approved during its board meeting the two-year extension of the buy-back programs from June 15, 2022 to June 14, 2024. The two-year extension covers the: (i) common stock buy-back program covering up to 30.0 million of First Gen's common stocks; and (ii) Series "G" Preferred Shares buyback program covering up to ₱5,300 million worth of said redeemable preferred stocks.

On June 14, 2022, the BOD of First Gen approved during its board meeting, in accordance with the terms and condition of First Gen's Series "G" Preferred Shares, the redemption of all outstanding Series "G" Preferred Shares on July 25, 2022 at the applicable redemption values of ₱100 and ₱10 a share. As at December 31, 2024, First Gen has redeemed its outstanding Series "G" Preferred Shares amounting to ₱5,297 million ($99 million).

On May 31, 2024, the common stock buy-back program was further extended for two years from June 15, 2024 to June 14, 2026.

- FGEN LNG

  On December 5, 2018, Tokyo Gas and First Gen entered into a JDA for the development of the FGEN LNG IOT Project. The JDA is a preliminary agreement between the parties to pursue development work to achieve a FID. On October 6, 2020, First Gen and Tokyo Gas executed a JCA which represents the next phase of their joint development of FGEN LNG's IOT Project. Under the JCA, Tokyo Gas will have a 20% participating interest in the IOT Project and provide support in development, construction, operations and maintenance work to achieve an FID.

  On May 21, 2024, FGEN LNG entered into an SSA and Shareholder's Agreement (SA) with Tokyo Gas and LNG Holdings to confirm the intention to proceed with the project, provide additional respective subscription, govern each Investor's rights and obligations with respect to FGEN LNG and the other shareholders, provide for the management of the business and operations of FGEN LNG, and to underpin new large and small-scale LNG opportunities as a means to introduce natural gas throughout the many islands of the Philippines.

  As at December 31, 2024 and 2023, total cash received from Tokyo Gas amounted to ₱4,529 million ($78 million) and ₱3,461 million ($62 million), respectively. On December 27, 2024, the Philippine SEC approved FGEN LNG's application of confirmation of valuation of Tokyo Gas' and LNG Holding's investments. Tokyo Gas' cash investment amounting to ₱3,719 million ($65 million) was presented as deposit for future stock subscriptions under "Equity attributable to non-controlling interest" account in the consolidated statement of financial position as at December 31, 2024 and was subsequently converted into capital stock following the fulfillment of the SSA conditions in February 2025 (see Note 34).

- RNDC

  On August 17, 2020, Rockwell Land entered into a JV Agreement with T.G.N. Realty Corporation to develop parcels of land in Pampanga, through RNDC. As of December 31, 2024, Rockwell Land's ownership interest in RNDC increased from 38.49% in December 31, 2023 to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, Rockwell Land's previously held interest of 38.49% was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱65 million. The non-controlling interest that were recognized as a proportion of the fair value of the identifiable net assets acquired amounted to ₱1,318 million.

- Rockwell GMC Development Corporation (RGDC)

  On March 30, 2023, Rockwell Land and General Milling Corporation (GMC) entered into a joint venture agreement to form an entity to jointly develop a property into a mixed-use project with residential and retail components. Pursuant to the agreement, RGDC was incorporated. Rockwell Land will be the sole and exclusive project development manager and sole marketing and sales agent of RGDC, contributing cash with 60% ownership interest in RGDC, while GMC contributed land and shall contribute cash for 40% ownership interest in RGDC.

  Non-controlling interest in RGDC amounted to ₱2,711 million and ₱2,729 million as at December 31, 2024 and 2023, respectively.

f. Cumulative Translation Adjustment

The details of cumulative translation adjustments (net of NCI's share) as of December 31 are as follows:

	2024	2023
	(In Millions)	
Foreign exchange adjustments	**₱1,969**	₱3,388
Net gains on cash flow hedges - net of tax (Note 30)	**607**	559
	₱2,576	₱3,947

21. Disaggregated Revenue Information

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types and in geographical locations within the Philippines. The Group's disaggregation of revenue from contracts with customers by primary geographical market and major products/service lines and the reconciliation of the disaggregated revenue with the Group's strategic divisions are presented below (excluding interest and lease income):

a. Sale of Electricity

The Group has only one geographical segment as all of its operating assets in power generation segment are located in the Philippines.

	2024	2023	2022
		(In Millions)	
Revenue from contracts with customers:			
PPA	**₱75,496**	₱71,807	₱83,170
PSAs	**27,187**	35,880	29,412
Spot market sales	**23,096**	16,921	20,301
Retail electricity sales and ancillary services	**9,125**	9,763	8,421
Sales under FIT	**2,726**	3,575	3,020
	₱137,630	₱137,946	₱144,324

b. Real estate

		2024	
	Residential Development	**Commercial Development**	**Total**
		(In Millions)	
Primary geographical markets:			
National Capital Region	**₱7,548**	**₱133**	**₱7,681**
Central Luzon	**1,343**	**4**	**1,347**
Southern Luzon	**589**	–	**589**
Central Visayas	**3,256**	–	**3,256**
Western Visayas	**1,705**	–	**1,705**
	₱14,441	**₱137**	**₱14,578**
Major product/service lines:			
Sale of high-end residential condominium units	**₱12,852**	**₱–**	**₱12,852**
Sale of residential lots	**1,569**	–	**1,569**
Sale of affordable housing units	**20**	–	**20**
Sale of office spaces	–	**137**	**137**
	₱14,441	**₱137**	**₱14,578**

Timing of revenue recognition:			
Transferred over time	**₱14,441**	**₱137**	**₱14,578**

	2023		
	Residential Development	Commercial Development	Total
		(In Millions)	
Primary geographical markets:			
National Capital Region	₱8,218	₱215	₱8,433
Southern Luzon	615	–	615
Central Visayas	1,882	–	1,882
Western Visayas	1,019	–	1,019
	₱11,734	₱215	₱11,949
Major product/service lines:			
Sale of high-end residential condominium units	₱9,575	₱–	₱9,575
Sale of residential lots	2,139	–	2,139
Sale of affordable housing units	20	–	20
Sale of office spaces	–	215	215
	₱11,734	₱215	₱11,949
Timing of revenue recognition:			
Transferred over time	₱11,734	₱215	₱11,949

	2022		
	Residential Development	Commercial Development	Total
		(In Millions)	
Primary geographical markets:			
National Capital Region	₱6,573	₱1,121	₱7,694
Southern Luzon	1,791	–	1,791
Central Visayas	1,442	–	1,442
Western Visayas	455	–	455
	₱10,261	₱1,121	₱11,382
Major product/service lines:			
Sale of high-end residential condominium units	₱9,951	₱–	₱9,951
Sale of affordable housing units	310	–	310
Sale of office spaces	–	1,121	1,121
	₱10,261	₱1,121	₱11,382
Timing of revenue recognition:			
Transferred over time	₱10,261	₱1,121	₱11,382

Performance Obligations
Information about the Group’s performance obligations are summarized below:

Sale of real estate. 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 real estate unit may cover either the (i) house and lot; (ii) condominium unit and parking lot; and (iii) residential lot, and the Group concluded that 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 contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 5% or 10% of the contract price spread over a period of one year 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 five (5) 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 to 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 serviced lot and house 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 follows:

	2024	2023
Within one year	**₱6,435**	₱6,276
More than one year	**4,139**	11,963
	₱10,574	₱18,239

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 condominium units and house and lots are expected to be completed within three to four years from start of construction while residential lots are expected to be completed within two years from start of construction.

c. Contracts and Services

	2024	2023	2022
		(In Millions)	
Revenue from contracts with customers:			
Rental contracts (Note 13)	**₱3,382**	₱3,113	₱2,642
Construction services:			
Building	**2,457**	687	471
Power and energy	**557**	2,167	1,799
Transport infrastructure	**176**	455	1,136
Water infrastructure	**67**	521	1,010
Transmission lines	**6**	488	–
Healthcare services	**1,076**	940	749
Drilling services	**477**	464	619
Water distribution and wastewater treatments	**470**	416	388
Room hotel revenue	**306**	286	238
Hauling/delivery of heavy equipment, construction, materials, etc.	**197**	142	216
Cinema revenue	**178**	173	120
Park charges	**99**	78	78
Sale of aggregates and by-products	**56**	70	131
Others	**501**	490	505
	₱10,005	₱10,490	₱10,102
Timing of revenue recognition			
Transferred over time	**₱9,169**	₱9,248	₱8,826
Transferred at a point in time	**836**	1,242	1,276
	₱10,005	₱10,490	₱10,102

d. Sale of Merchandise

The Groups' sale of merchandise is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the goods. The Group's performance obligation is the delivery of transformers with assurance-type warranty.

22. **Costs and Expenses**

Costs of Sale of Electricity

	2024	2023	2022
		(In Millions)	
Fuel costs (liquid fuel and LNG) (Notes 8 and 31)	**₱54,875**	₱60,517	₱67,047
Power plant operations and maintenance (Notes 8 and 31)	**18,602**	16,572	21,919
Depreciation and amortization (Note 12)	**14,941**	11,993	11,037
Others (Note 8)	**5,527**	4,853	3,359
	₱93,945	₱93,935	₱103,362

Real Estate

	2024	2023	2022
		(In Millions)	
Cost of real estate (Note 8)	**₱9,031**	₱8,889	₱8,668
Depreciation (Note 12)	**691**	589	514
	₱9,722	₱9,478	₱9,182

Contracts and Services

	2024	2023	2022
		(In Millions)	
Salaries and employee benefits	**₱1,117**	₱1,882	₱1,528
Outside services	**935**	1,107	1,120
Depreciation (Note 12)	**911**	864	662
Materials, supplies and facilities	**723**	1,068	1,245
Mobilization and demobilization costs	**200**	81	192
Utilities	**180**	400	264
Permits, insurances and licenses	**113**	244	141
Rental	**50**	88	92
Others	**81**	147	45
	₱4,310	₱5,881	₱5,289

Cost of Sale of Merchandise

	2024	2023	2022
		(In Millions)	
Materials	**₱2,922**	₱2,659	₱2,647
Manufacturing overhead costs	**305**	317	287
Depreciation (Note 12)	**49**	–	–
Labor	**73**	64	60
	₱3,349	₱3,040	₱2,994

General and Administrative Expenses

	2024	2023	2022
		(In Millions)	
Personnel expenses	**₱7,016**	₱6,806	₱6,124
Professional fees	**4,143**	3,767	3,414
Insurance, taxes and licenses	**4,068**	3,018	2,842
Depreciation and amortization (Note 12)	**1,409**	1,035	1,399
Provision for ECL (Note 7)	**413**	246	227
Property repairs and maintenance	**231**	224	196
Parts and supplies issued (Note 8)	**192**	184	240
Provision for impairment loss (Note 15)	**139**	90	193
Rent and subcontracted costs (Note 31)	**138**	298	293
Provision for (reversal of) impairment of spare parts and supplies inventories (Note 8)	**214**	(70)	21
Others (Note 15)	**3,471**	3,242	3,257
	₱21,434	₱18,840	₱18,206

Other general and administrative expenses mainly consist of advertising, outside services and utilities.

23. Finance Costs, Finance Income, Depreciation and Amortization, and Other Income (Charges)

Finance Costs

	2024	2023	2022
		(In Millions)	
Interest			
Loans and bonds (Notes 16 and 18)	**₱8,169**	₱7,313	₱5,876
Liability from litigation	**8**	8	8
	8,177	7,321	5,884
Accretion and Amortization			
Debt issuance costs (Note 18)	**369**	321	372
Asset retirement/preservation obligations (Note 19)	**186**	175	133
Lease liabilities (Notes 19 and 31)	**659**	207	80
	1,214	703	585
Others			
Mark-to-market loss on derivatives and financial assets at FVPL (Note 30)	**–**	46	–
Others	**–**	37	24
	–	83	24
	₱9,391	₱8,107	₱6,493

Others include the derecognition of unamortized debt issuance costs related to loans.

Finance Income

	2024	2023	2022
		(In Millions)	
Interest Income:			
Cash and cash equivalents and short-term investments (Note 6)	**₱1,719**	₱2,282	₱582
Trade receivables (Note 7)	**345**	1,794	1,436
Mark-to-market gain on financial assets at FVPL (Note 11)	**246**	–	–
Others	**44**	42	19
	₱2,354	₱4,118	₱2,037

Depreciation and Amortization

	2024	2023	2022
		(In Millions)	
Property, plant and equipment (Note 12)	**₱14,061**	₱12,821	₱12,264
Investment properties (Note 13)	**1,097**	826	766
Right-of-use asset (Notes 15 and 31)	**2,365**	597	310
Intangible assets (Note 14)	**478**	237	272
	₱18,001	₱14,481	₱13,612

Dividend Income

	2024	2023	2022
		(In Millions)	
Financial assets at FVOCI (Note 11)	**₱1,029**	₱940	₱749
Associates (Note 10)	**–**	121	–
	₱1,029	₱1,061	₱749

Other Income - net

	2024	2023	2022
		(In Millions)	
Proceeds from construction delay and insurance claims (Note 12)	**₱362**	₱2,155	₱773
Rental income from property and equipment and investment properties	**118**	105	114
Gain (loss) on sale of property and equipment (Note 12)	**(329)**	52	58
Cinema revenue	**–**	194	119
Others (Note 30)	**2,000**	1,049	1,027
	₱2,151	₱3,555	₱2,091

Others include revenues from mall and membership dues, net of selling and other expenses.

24. Retirement Benefits

FPH and certain subsidiaries maintain qualified, noncontributory, defined benefit retirement plans covering substantially all their regular employees. Under the existing regulatory framework, Republic Act (R.A.) 7641, *Retirement Pay Law*, requires provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of net retirement benefit expense recognized in the consolidated statements of income and the funded status, and the amounts recognized in the consolidated statements of financial position.

The net retirement assets and liabilities and other long-term employee benefits liabilities are presented in the consolidated statements of financial position as follows:

	2024	2023
	(In Millions)	
Net retirement benefit liabilities	**₱4,307**	₱4,327
Other employee benefits - net of current portion of ₱187 million in 2024 and ₱111 million in 2023 (Note 17)	**802**	714
Retirement and other long-term employee benefits liabilities	**₱5,109**	₱5,041

Retirement Benefits

The amounts recognized in the consolidated statements of financial position are as follows:

	2024				
	Parent	**First Gen**	**Rockwell Land**	**Others**	**Total**
			(In Millions)		
Present value of defined benefit obligation	**₱1,702**	**₱7,060**	**₱928**	**₱483**	**₱10,173**
Fair value of plan assets	**(1,074)**	**(3,846)**	**(742)**	**(204)**	**(5,866)**
Net retirement liabilities	**₱628**	**₱3,214**	**₱186**	**₱279**	**₱4,307**

	2023				
	Parent	First Gen	Rockwell Land	Others	Total
			(In Millions)		
Present value of defined benefit obligation	₱1,673	₱6,665	₱802	₱386	₱9,526
Fair value of plan assets	(1,114)	(3,172)	(717)	(196)	(5,199)
Net retirement liabilities	₱559	₱3,493	₱85	₱190	₱4,327

Movements in the present value of the defined benefit obligation are as follows:

	2024				
	Parent	**First Gen**	**Rockwell Land**	**Others**	**Total**
			(In Millions)		
Balances at beginning of year	**₱1,673**	**₱6,665**	**₱802**	**₱386**	**₱9,526**
Recognized in profit or loss:					
Current and past service cost	**59**	**378**	**91**	**46**	**574**
Interest cost	**87**	**380**	**48**	**23**	**538**
	146	**758**	**139**	**69**	**1,112**
Benefits paid	**(119)**	**(472)**	**(13)**	**(12)**	**(616)**
Recognized in other comprehensive income:					
Actuarial losses (gains) due to:					
Changes in financial assumptions	**(7)**	**12**	**7**	**55**	**67**
Experience adjustments	**9**	**97**	**(7)**	**(15)**	**84**
	2	**109**	**–**	**40**	**151**
Balances at end of year	**₱1,702**	**₱7,060**	**₱928**	**₱483**	**₱10,173**

	2023				
	Parent	First Gen	Rockwell Land	Others	Total
			(In Millions)		
Balances at beginning of year	₱3,325	₱5,176	₱577	₱359	₱9,437
Recognized in profit or loss:					
Current and past service cost	126	294	53	33	506
Interest cost	185	345	40	22	592
	311	639	93	55	1,098
Benefits paid	(3,362)	(203)	(5)	(64)	(3,634)
Recognized in other comprehensive income:					
Actuarial losses (gains) due to:					
Changes in financial assumptions	112	855	109	40	1,116
Experience adjustments	1,287	198	28	(4)	1,509
	1,399	1,053	137	36	2,625
Balances at end of year	₱1,673	₱6,665	₱802	₱386	₱9,526

Movements in the fair value of plan assets are as follows:

	2024				
	Parent	**First Gen**	**Rockwell Land**	**Others**	**Total**
			(In Millions)		
Balances at beginning of year	**₱1,114**	**₱3,172**	**₱717**	**₱196**	**₱5,199**
Interest income	**57**	**184**	**42**	**12**	**295**
Contributions paid	**–**	**895**	**1**	**–**	**896**
Benefits paid	**(119)**	**(472)**	**(13)**	**(4)**	**(608)**
Remeasurement gains (loss) on plan assets	**22**	**67**	**(5)**	**–**	**84**
Balances at end of year	**₱1,074**	**₱3,846**	**₱742**	**₱204**	**₱5,866**
Actual return on plan assets	**₱79**	**₱248**	**₱–**	**₱–**	**₱327**

	2023				
	Parent	First Gen	Rockwell Land	Others	Total
			(In Millions)		
Balances at beginning of year	₱1,604	₱2,772	₱505	₱184	₱5,065
Interest income	87	192	38	12	329
Contributions paid	3,151	177	175	50	3,553
Benefits paid	(3,362)	(203)	(5)	(46)	(3,616)
Remeasurement gains (losses) on plan assets	(366)	234	4	(4)	(132)
Balances at end of year	₱1,114	₱3,172	₱717	₱196	₱5,199
Actual return on plan assets	(₱279)	₱426	₱–	₱–	₱147

Changes in the net retirement benefit liabilities are as follows:

	2024				
	Parent	**First Gen**	**Rockwell Land**	**Others**	**Total**
			(In Millions)		
Balances at beginning of year	**₱559**	**₱3,493**	**₱85**	**₱190**	**₱4,327**
Current service cost	**59**	**378**	**91**	**46**	**574**
Net interest cost	**30**	**196**	**6**	**11**	**243**
Re-measurement losses (gains)	**(20)**	**42**	**5**	**40**	**67**
Benefits paid out of operating funds	**–**	**–**	**–**	**(8)**	**(8)**
Contribution	**–**	**(895)**	**(1)**	**–**	**(896)**
Balances at end of year	**₱628**	**₱3,214**	**₱186**	**₱279**	**₱4,307**

	2023				
	Parent	First Gen	Rockwell Land	Others	Total
			(In Millions)		
Balances at beginning of year	₱1,721	₱2,404	₱72	₱175	₱4,372
Current service cost	126	294	53	33	506
Net interest cost	98	153	2	10	263
Re-measurement losses	1,765	819	133	40	2,757
Benefits paid out of operating funds	–	–	–	(18)	(18)
Contribution	(3,151)	(177)	(175)	(50)	(3,553)
Balances at end of year	₱559	₱3,493	₱85	₱190	₱4,327

The principal actuarial assumptions at the financial reporting dates used for FPH and subsidiaries' actuarial valuations are as follows:

	2024	2023
Discount rate	**6.01%–6.13%**	5.97%–6.19%
Future salary increases	**6.00%–10.00%**	4.00%–10.00%

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2024	2023
Cash and cash equivalents	**19%**	9%
Investment in shares of stock	**24%**	29%
Investments in government securities and corporate bonds	**42%**	55%
Others	**15%**	7%
	100%	100%

The Group expects to contribute ₱578 million to its pension plans in 2025.

Information about the Group's retirement plans are as follows:

<u>FPH</u>
The Board of Trustees (BOT), which manages the retirement fund (the Plan) of FPH, is comprised of five (5) executives of FPH. Most of the trustees are beneficiaries also of the retirement fund. The investing decisions of the retirement fund are exercised by the BOT.

The retirement fund consists of the following:

	Relationship	**2024**	2023
		(In Millions)	
Investments quoted in active market:			
Common stocks:			
Rockwell Land	Subsidiary	**₱246**	₱229
Preferred stocks:			
Jollibee Foods Corporation		**17**	21
		263	250
Investment in bonds		**621**	602
Unquoted investments:			
Cash and cash equivalents		**178**	234
Receivables		**12**	28
		₱1,074	₱1,114

- Cash and cash equivalents and short-term investments which include regular savings and time deposits.
- Receivables include accrued interest receivable on cash and cash equivalents, short-term investments, financial assets at FVOCI, and dividends receivable from equity securities.

- The fair value of these investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the financial reporting dates.

- Investments in bonds with certain financial institutions have fixed coupon rates and maturing in 5 to 10 years from the issue dates. Investments in bonds are carried at fair value at each reporting date.

First Gen
The retirement funds of First Gen, FGHC, FGP and the rest of the First Gen group are maintained and managed by BDO Trust, while the retirement fund of FGPC is maintained and managed by the BPI Asset Management. In addition, EDC's retirement fund is maintained by the BPI Asset Management and BDO Trust, while GCGI and BGI's retirement funds are maintained by BDO Trust. These trustee banks are also responsible for investment of the plan assets. The investing decisions of the Plan are made by the respective retirement committees of the said companies.

The plan assets' carrying amount approximates its fair value, since these are either short-term in nature or marked-to-market.

The plan assets and investments by each class as at December 31 are as follows:

	2024	2023
	(In Millions)	
Investments quoted in active market:		
Quoted equity investments		
Holding firms	**₱220**	₱231
Property	**196**	194
Financials - banks	**264**	161
Transportation services	**72**	56
Industrial - electricity, energy, power and water	**45**	47
Industrial - food, beverage, and tobacco	**49**	41
Services - telecommunications	**38**	38
Golf and country club	**27**	22
Retail	**4**	7
	915	797
Investments in debt instruments:		
Government securities	**1,541**	1,656
Investments in corporate bonds	**71**	82
	1,612	1,738
Investment in mutual funds	**543**	392
Unquoted investments:		
Cash and cash equivalents	**746**	224
Receivables and other assets	**31**	22
Liabilities	**(1)**	(1)
	776	245
Fair value of plan assets	**₱3,846**	₱3,172

- Cash and cash equivalents include regular savings and time deposits;

- Investments in corporate debt instruments, consisting of both short-term and long-term corporate loans, notes and bonds, which bear interest ranging from 3.00% to 6.37% and have maturities from 2025 to 2029; and

- Investments in government securities, consisting of retail treasury bonds that bear interest ranging from 2.13% to 10.25% and have maturities from 2025 to 2042.

The carrying amounts of investments in equity securities also approximate their fair values since these are marked-to-market. The voting rights over these equity securities are exercised by the trustee banks.

- Other financial assets held by these plans are primarily accrued interest income on cash deposits and debt securities held by the plans; and dividend receivable from equity securities.
- Liabilities of the plans pertain to trust fee payable and retirement benefits payable.

Rockwell Land
The plan assets of Rockwell Land are maintained by the trustee banks, namely BDO and Metropolitan Bank and Trust Company (MBTC).

As at December 31, the carrying values of the plan approximates their fair values as follows:

	2024	2023
	(In Millions)	
Cash in banks	**₱7**	₱18
Receivables - net of payables	**4**	6
Investments held for trading (government securities, corporate bonds and stocks)	**731**	693
	₱742	₱717

Cash in banks are composed of current account, savings deposits and special savings deposits.

Receivables - net of payables are composed of loans receivables, interest receivables and accrued trust fees.

Investments held for trading are investments in government securities, corporate bonds and stocks.

i. Government securities’ maturities range from 1 to 20 years with interest rates ranging from 3.00% to 10.125%.
ii. The Corporate bonds are certificates of indebtedness issued by top and usually listed corporations exhibiting sound financial performance and enjoying good credit from reputable/accredited agencies. Maturity dates range from 1 to 5 years with interest rates ranging from 4.41% to 7.06%.
iii. Investment in stocks represents equity securities of companies listed in the PSE.

Sensitivity Analysis
The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming if all other assumptions were held constant:

	2024				
	Increase (Decrease)	**FPH**	**First Gen Group**	**Rockwell Land**	**Others**
			(In Millions)		
Discount rates	**+1%**	**(₱108)**	**(₱520)**	**(₱103)**	**(₱118)**
	-1%	**145**	**601**	**124**	**139**
Future salary increases	**+1%**	**₱30**	**₱596**	**₱122**	**₱126**
	-1%	**(28)**	**(530)**	**(104)**	**(107)**

	2023				
	Increase (Decrease)	FPH	First Gen Group	Rockwell Land	Others
			(In Millions)		
Discount rates	+1%	(₱127)	(₱504)	(₱93)	(₱87)
	-1%	149	581	112	102
Future salary increases	+1%	₱23	₱576	₱110	₱122
	-1%	(23)	(513)	(94)	(105)

Maturity Analysis
Shown below is the maturity analysis of the undiscounted benefit payments.

As at December 31, 2024:

	FPH	**First Gen Group**	**Rockwell Land**	**Others**	**Total**
			(In Millions)		
Less than 1 year	**₱596**	**₱1,364**	**₱75**	**₱128**	**₱2,163**
More than 1 year to 5 years	**651**	**3,228**	**285**	**152**	**4,316**
More than 5 years to 10 years	**572**	**3,688**	**391**	**278**	**4,929**
More than 10 years to 15 years	**525**	**2,868**	**1**	**248**	**3,642**
More than 15 years to 20 years	**314**	**6,904**	**1,023**	**240**	**8,481**
More than 20 years	**731**	**4,384**	**5,325**	**239**	**10,679**

As at December 31, 2023:

	FPH	First Gen Group	Rockwell Land	Others	Total
			(In Millions)		
Less than 1 year	₱487	₱1,091	₱56	₱77	₱1,711
More than 1 year to 5 years	754	3,090	89	140	4,073
More than 5 years to 10 years	586	3,928	446	237	5,197
More than 10 years to 15 years	467	2,668	484	252	3,871
More than 15 years to 20 years	302	6,865	954	342	8,463
More than 20 years	651	3,638	4,950	634	9,873

As at December 31, 2024 and 2023, the average duration of the defined benefit obligation is 7 to 25 years and 6 to 25 years, respectively.

Other Employee Benefits
Other employee benefits consist of accumulated employee sick and vacation leave entitlements of FPH, First Gen group, Rockwell Land, First Balfour and FPIP.

The amounts recognized in the consolidated statements of income are as follows:

	2024	2023	2022
		(In Millions)	
Current service cost	**₱34**	₱25	₱32
Interest cost	**32**	48	40
Actuarial losses (gain)	**37**	111	(57)
Net benefit expense	**₱103**	₱184	₱15

Movements in the present value of the other long-term employee benefit obligation are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱714**	₱946
Current service cost	**34**	25
Interest cost	**32**	48
Benefits paid	**(15)**	(416)
Actuarial loss	**37**	111
Balance at end of year	**₱802**	₱714

The principal assumptions used in determining the other employee benefit obligation are shown below:

	2024	2023
Discount rate	**6.11%–6.14%**	6.03%–6.17%
Future salary rate increase	**6.00%–8.00%**	8.00%–10.00%

25. Taxes

The deferred tax assets and liabilities of the Group are presented in the consolidated statements of financial position as follows:

	2024	2023
	(In Millions)	
Deferred tax assets	**₱2,107**	₱2,121
Deferred tax liabilities	**(2,750)**	(3,272)
	(₱643)	(₱1,151)

The components of these deferred tax assets and liabilities as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(In Millions)	
Deferred income tax items recognized in the consolidated statements of income:		
Deferred tax assets on:		
Lease liability - net of right-of-use asset	**₱2,903**	₱2,732
Provisions	**1,061**	904
Retirement benefit liability	**952**	642
Asset retirement and preservation obligations	**546**	214
Capitalized costs in service contracts between EDC and First Balfour group	**458**	196
Advances from customers	**258**	351
Revenue generated during testing period of BGI power plant	**124**	132
Excess amortization of debt issuance costs under EIR method over straight-line method	**55**	45
MCIT	**36**	9
Unrealized foreign exchange loss	**34**	323
Unused NOLCO	**33**	267
Allowance for doubtful accounts	**32**	23
Unamortized past service cost	**15**	50
Accrual of employee bonuses and other employee benefits	**8**	54
Others	**47**	82
Total *(Carried Forward)*	**6,562**	6,024

	2024	2023
	(In Millions)	
Total *(Brought Forward)*	**₱6,562**	₱6,024
Deferred tax liabilities on:		
Excess of the carrying amounts of non-monetary assets over the tax base	**(3,144)**	(3,167)
Right-of-use asset - net of lease liability	**(2,994)**	(2,856)
Capitalized asset retirement, duties, taxes and interest	**(690)**	(269)
Unrealized gain on real estate	**(96)**	(96)
Effect of business combination	**(81)**	(70)
Capitalized costs and losses during commissioning period of the power plants	**(35)**	(36)
Others	**(48)**	(2)
	(7,088)	(6,496)
Total	**(526)**	(472)
Changes recognized directly in other comprehensive income:		
Deferred tax liability on derivative assets	**(146)**	–
Deferred tax asset on others	**29**	(582)
Deferred tax asset on derivative assets	**–**	(97)
	(₱643)	(₱1,151)

The deductible temporary differences of certain items in the consolidated statement of financial position and the carry-forward benefits of NOLCO and MCIT for which no deferred tax assets has been recognized in the consolidated statements of financial position are as follows:

	2024	2023
	(In Millions)	
NOLCO	**₱15,056**	₱11,812
Allowance for impairment losses on investments at cost	**3,371**	3,371
Unrealized foreign exchange loss	**1,613**	1,580
Accrual for retirement benefits	**989**	–
Accrual of personnel and administrative expenses	**917**	1,866
Unamortized past service cost	**302**	–
MCIT	**56**	22
Allowance for impairment of receivables	**73**	–
Others	**55**	71
	₱22,432	₱18,722

Deferred tax on cumulative translation adjustments were not recognized since it is not probable that taxable profit will be available against which the temporary difference can be utilized. As at December 31, 2024 and 2023, deferred tax liability on undistributed earnings of subsidiaries was not recognized since the Parent Company controls the dividend policy of its subsidiaries, hence, it is able to control the timing of reversal of the temporary difference with these subsidiaries and such temporary difference is not seen to reverse in foreseeable future.

The balances of NOLCO and MCIT, with their corresponding years of expiration, are as follows:

Incurred for the Year Ended December 31	Available Until December 31	NOLCO	MCIT
		(In Millions)	
2024	2027	₱3,668	₱46
2023	2026	1,061	27
2022	2025	6,216	19
2021	2026	2,886	–
2021	2024	–	–
2020	2025	1,225	–
		15,056	92
Expired in 2024		–	–
		₱15,056	₱92

Bayanihan to Recover as One Act (Bayanihan 2)
On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Subsequent to taxable year 2021, the period over which the carry-over of NOLCO can be offset against taxable income reverts to three (3) consecutive taxable years immediately following the year of such loss.

The reconciliation between the statutory income tax rate and effective income tax rates as shown in the consolidated statements of income follows:

	2024	2023	2021
Statutory income tax rate	**25%**	25%	25%
Income tax effects of:			
Availment of OSD	**(8%)**	(6%)	(6%)
Nondeductible expenses	**7%**	5%	3%
Expenses not deducted for MCIT	**7%**	5%	7%
Income Tax Holiday (ITH) incentives	**(1%)**	1%	(7%)
Nontaxable income	**(1%)**	(4%)	(2%)
Foreign currency translation	**(6%)**	(9%)	1%
Others	**(2%)**	(1%)	–
Effective income tax rates	**21%**	16%	21%

BEPS 2.0 Pillar Two
The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalization of the global economy. PAS 12 is amended to require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after January 1, 2023.

The Group has yet to implement BEPS 2.0 Pillar Two because the Group's entities are operating in jurisdiction/s (Philippines) which the legislation has not yet been enacted or substantially enacted as at December 31, 2024. However, the Group has a consolidated revenue exceeding the threshold amount of €750 million. With this, once the jurisdiction/s have enacted the legislation, the Group will implement Pillar Two model rules and perform a detailed impact assessment to disclose reasonably estimate information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group annual consolidated financial statements.

26. EPS Computation

	2024	2023	2022
	(In Millions, Except Number of Shares and Per Share Data)		
Net income attributable to equity holders of the Parent	**₱14,316**	₱15,066	₱12,676
Less dividends on preferred stock (Note 20)	–	–	–
(a) Net income available to common stock	**₱14,316**	15,066	12,676
Number of stock:			
Common stock outstanding at beginning of year (Note 20)	**463,586,091**	472,618,944	487,318,944
Weighted average effect of common stock issuances and buyback during the year (Note 20)	**(207,433)**	(4,941,331)	(3,458,333)
(b) Adjusted weighted average number of common stock outstanding - basic	**463,378,658**	467,677,613	483,860,611
Basic/Diluted Earnings Per Share (a/b)	**₱30.894**	₱32.215	₱26.198

In 2024, 2023 and 2022, the Parent Company does not have any dilutive potential common stocks. Hence, the diluted EPS is the same as the basic EPS.

27. Related Party Disclosures

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Group, including holding companies, and fellow subsidiaries are related entities of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

All publicly-listed and certain members of the companies of the Group have Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, Series of 2019.

The following are the significant transactions with related parties:

a. The Group leases its office premises where its principal offices are located from Rockwell-Meralco BPO Venture, a joint venture of Rockwell Land. Total rental payments amounted to ₱267 million in 2024 and ₱282 million in 2023, and were considered as reduction of the "Lease liabilities" account in the consolidated statements of financial position.

b. EDC entered into various loan agreements with IFC, one of its shareholders. The details of the loans availed by EDC are included under the "Long-term debt" account in the consolidated statements of financial position (see Note 18).

c. Intercompany Guarantees

   <u>EDC</u>
   EDC issued letters of credit amounting to \$80 million in favor of its subsidiary, EDC Chile Limitada, as evidence of its financial support for EDC Chile Limitada's participation in the bids for geothermal concession areas by the Chilean Government.

   EDC also issued letters of credit in favor of its subsidiaries in Peru, namely, EDC Peru S.A.C. and EDC Energia Verde Peru S.A.C. at \$0.27 million each as evidence of EDC's financial support for the geothermal authorizations related to the exploration drilling activities of the said entities, which expired on March 1, 2024 and February 21, 2024, respectively. On May 25, 2023, the board and stockholders of EDC Peru S.A.C. decided to no longer pursue exploration and development activities in Peru due to political and market factors (see Note 3).

Under the bilateral corporate term loan agreements executed in December 2024 by EBWPC with BDO and Mizuho, any debt service shortfall amount under these loans is guaranteed by EDC.

First Gen

- During the February 27, 2014 meeting, the BOD of First Gen approved the confirmation, ratification and approval of the authority of First Gen, pursuant to Clause (i) of the Second Article of First Gen's Amended Articles of Incorporation, to act as a guarantor or co-obligor or assume any obligation of any person, corporation or entity in which the Corporation may have an interest, directly or indirectly, including but not limited to FNPC and PMPC. On May 12, 2014, the stockholders of First Gen ratified and confirmed such authority.

  On July 10, 2014, First Gen signed a Guarantee and Indemnity Agreement with KfW-IPEX, guaranteeing FNPC's punctual performance on all its payment obligations under the Export Credit Facility loan agreement.

- On July 9, 2021, First Gen signed a Guarantee Agreement with MUFG as a guarantor to the General Credit Agreement signed by FGEN LNG and MUFG (the "MUFG Agreement") last July 7, 2021. Under the MUFG Agreement, MUFG is giving credit or affording bank facilities of up to $40 million to FGEN LNG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGEN LNG to pay MUFG all sums of money which are or at any time during the term of the guarantee be owing to MUFG by FGEN LNG pursuant to the MUFG Agreement.

- On July 28, 2023, First Gen signed a Guarantee Agreement with ING as a guarantor to the Reimbursement Agreement (the "ING Agreement") signed by FGen SG and ING on the same date. Under the ING Agreement, as amended on September 26, 2023, ING agrees to issue SBLCs as may be required from time to time of up to $75 million to FGen SG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGen SG to pay ING all sums of money which are or at any time during the term of the guarantee be owing to ING by FGen SG pursuant to the ING Agreement.

- On May 29, 2024, First Gen signed a Guarantee Agreement with ING as a guarantor pursuant to the Accession Agreement to the ING Agreement (the "ING Accession Agreement") signed by FGEN LNG and ING on the same date. Under the ING Accession Agreement, ING agrees to issue SBLC/s as may be required from time to time of up to $75 million to FGEN LNG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGEN LNG to pay ING all sums of money which are or at any time during the term of the guarantee be owing to ING by FGEN LNG pursuant to the ING Accession Agreement.

d. On June 2, 2021, FGEN LNG executed a 10-year Tugs Time Charter Party (Tugs TCP) with Svitzer Bahrain W.L.L (Svitzer), a wholly owned subsidiary of the A.P. Moller-Maersk Group, for the charter of four tugs for the provision of towage and other vessel support services to FGEN LNG's terminal. On July 13, 2022, Svitzer novated all its rights and obligations under the Tugs TCP to BBTI, a Philippine-registered company. An Amended and Restated Tugs TCP was also signed on July 13, 2022 between FGEN LNG and BBTI. After the completion of the acceptance tests, the Service Commencement date of July 7, 2023 was agreed by the parties.

   Under the Tugs TCP, FGEN LNG shall pay BBTI the daily hire fee as well as other reimbursable costs. The cost of the daily hire under the Tugs TCP, from the Service Commencement date until the end of term, was set-up as right-of use assets and lease liabilities. As at December 31, 2024 and 2023, lease liabilities amounting to ₱2,811 million and ₱3,007 million, respectively, were recognized in the consolidated statement of financial position (see Notes 15 and 19).

e. In 2024 and 2023, Rockwell Land agreed to purchase a property of ABS-CBN subject to certain payment terms and conditions.

	Relationship	Terms	Conditions	Volume of Transactions 2024	2023	Outstanding Receivable (Payable) 2024	2023
				(In Millions)			
Due from:							
Advances to (from) (Note 7)	Officers and employees	Noninterest-bearing; settled through salary deduction and liquidation	Unsecured, no impairment	**(₱61)**	₱48	**₱133**	₱194
Advances to Contractors ABS-CBN Corp.	Under common control	On demand; noninterest-bearing	Unsecured, no impairment	**–**	159	**–**	159
Trade payable ABS-CBN Corp.	Under common control	Payable in tranches based on the agreement; noninterest-bearing	Unsecured, no impairment	**₱611**	₱733	**(₱8)**	(₱25)

Outstanding balances of the intercompany receivables at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees received for any related party receivables. There is no impairment on receivables relating to amounts owed by related parties for both years.

Compensation of key management personnel are as follows:

	2024	2023
	(In Millions)	
Short-term employee benefits	**₱2,271**	₱1,556
Retirement and other long-term employee benefits	**320**	161
	₱2,591	₱1,717

28. Registrations with the BOI and Philippine Economic Zone Authority (PEZA)

The following are the BOI Registrations of the Group:

Entity	Project Name	Grant Date	ITH Period	Remarks
EDC	4.16 MW Burgos Solar Power Plant - Phase 1	June 16, 2015	Seven years beginning in June 2015	On March 4, 2022, the ITH entitlement for the entire project expired.
	2.66 MW Burgos Solar Power Plant - Phase 2	December 3, 2015	Seven years beginning January 2016	On January 18, 2023, the ITH entitlement for the entire project expired.
	EDC Siklab	February 8, 2019	Seven years beginning March 2017. On March 25, 2024, the ITH entitlement for the entire project expired.	The ITH incentive shall be limited only to the revenues generated from the 1.03 MW Gaisano La Paz Solar Rooftop Project in Iloilo.
	29 MW Palayan Binary Power Plant (PBPP) - Phase 1 and the 20 MW Tanawon Geothermal Power Plant (Tanawon Power Plant) - Phase 2 projects	May 6, 2021		On May 6, 2021, BGI was registered with BOI covering the 29 MW PBPP - Phase 1 and the 20 MW Tanawon Power Plant - Phase 2 projects. In February 2024, PBPP had already started its commissioning and testing and generated its first kilowatt-hour of electricity. As at December 31, 2024, PBPP has yet to start its commercial operations pending clearance from ERC but the electricity generated was being sold to the WESM. Pursuant to the BOI Terms and Conditions, PBPP is already subject to ITH. As at December 31, 2024, the Tanawon Power Plant is still being constructed and has not yet started its commissioning and testing.

Entity	Project Name	Grant Date	ITH Period	Remarks
	10 MW Battery Energy Storage System (BESS) in Kananga, Leyte (Tongonan ESS)	August 1, 2024		On August 1, 2024, EDC was registered as an Operator of 10 MW Tongonan ESS. As at December 31, 2024, the BESS is being constructed and has not yet started its commissioning and testing.
	10 MW Southern Negros Energy Storage System in Valencia, Negros Oriental (Southern Negros ESS)	December 27, 2024		On December 27, 2024, EDC was registered as an Operator of 10 MW Southern Negros ESS. As at December 31, 2024, the Southern Negros ESS is still being constructed and has not yet started its commercial operations.
	20 MW Bac-Man Energy Storage System in Manito, Albay (Bac-Man ESS)	December 27, 2024		On December 27, 2024, EDC was registered as an Operator of 20 MW Bac-Man ESS. As at December 31, 2024, the Bac-Man ESS is still being constructed and has not yet started its commercial operations.
	3.6 MW Mindanao 3 (M3 Binary) Geothermal Project	June 24, 2021	Seven years beginning March 2022 until March 2029	On June 24, 2021, EDC was granted an ITH incentive by the BOI covering its 3.6 MW Mindanao 3 (M3 Binary) Geothermal Project in North Cotabato, effective for a 7-year period beginning in March 2022.
GCGI	112.5 MW Tongonan Geothermal Power Plant	November 13, 2015	Seven years beginning in April 2015	Only revenues derived from power generated (i.e., 36.79 MW or the capacity in excess of the 75.71 MW, whichever is lower) and sold to the grid, other entities and/or communities shall be entitled to ITH. On April 9, 2022, the ITH entitlement for the original 112.5 MW approved operating capacity expired. The remaining ITH entitlement, which will expire in May 2027, shall only apply to revenues derived from power generated in between 112.5 MW and 123 MW operating capacity and sold to the grid, other entities and/or communities.
FGEN LNG	Batangas LNG Terminal Project	October 31, 2018	Six years from January 2025 or actual start of commercial operations, whichever is earlier but availment shall in no case be earlier than the date of registration.	Received its Certificate of Registration with the BOI under the Omnibus Investments Code of 1987 as the new operator of FGEN Batangas LNG Terminal Project on a Pioneer Status pursuant to Article 17 of Executive Order No. 226.
FG Hydro	120-MW Aya Pumped-Storage Hydroelectric Power Project.	January 12, 2021	ITH for seven years from the date of actual commercial operation.	FG Hydro received its Certificate of Registration with the BOI under the Omnibus Investments Code of 1987 as the RE Developer of hydropower resources for the 120-MW Aya Pumped-Storage Hydroelectric Power Project. Subject to certain conditions, FG Hydro is entitled to certain tax and non-tax incentives, which include, among others, ITH.

Entity	Project Name	Grant Date	ITH Period	Remarks
FP Island Energy Corporation	Qualified Third Party Project	March 8, 2019	ITH for seven years from the date of actual commercial reckoned from the date of testing or commissioning of the RE plant or two months from such date of testing or commissioning, whichever is earlier, but not earlier than the date of BOI registration.	Received its Certificate of Registration with the BOI as the Renewable Energy Developer of Solar Energy Resource [RE Components (i.e., 750 kWh Solar PV Plants + 630 kWh Energy Storage)] of the Qualified Third Party Project for the Islands of Lahuy, Haponan in Caramoan and Quinalasag, Garchitorena, Camarines Sur pursuant to the Renewable Energy Act 2008 (R.A. 9513).
	1MW Diesel-Fired Power Plants	March 8, 2019	ITH for six years from January 2020 or actual start of commercial operations, whichever is earlier, but in no case earlier that the date of registration.	Received its Certificate of Registration with the BOI as the New Operator of 1MW Diesel-Fired Power Plants [Non-RE Component of the Qualified Third Party Project for the Islands of Lahuy, Haponan in Caramoan and Quinalasag, Garchitorena, Camarines Sur as a Non-Pioneer Status but with Pioneer Incentives, without prejudice to upgrading to Pioneer Status once established that the Project is compliant with Article 17 of E.O. 226.

The following companies are registered with PEZA pursuant to R.A. No. 7916, the Philippine Special Economic Zone Act of 1995:

- As an Ecozone Utilities Enterprise - FGES, FUI, FITUI and FITWI
- As an Ecozone Developer/Operator - FPIP and FITI
- As an Ecozone Facilities Enterprise - FPDMC, FSRI, FPDC and FPI
- As an Ecozone Export Enterprise - FPPSI

As registered enterprises, these subsidiaries are entitled to certain tax and nontax incentives. The companies are entitled to certain incentives which include, among others, ITH or a special tax rate of 5% on gross income (less allowable deductions and additional deduction for training expenses) in lieu of all national and local taxes. The 5% tax on gross income shall be paid and remitted as follows:

- Three percent (3%) to the National Government; and
- Two percent (2%) to the treasurer's office of the municipality or city where the enterprise is located.

Income from non-PEZA registered activities is subject to 25% regular corporate income tax or 2% MCIT, whichever is higher. Applicable MCIT rates are 2% in 2024, 1.5% in 2023, and 1% in 2022.

Pursuant to the CREATE Act, Registered Business Enterprises (RBEs) whose projects or activities were granted only an ITH can continue with the availment of the ITH for the remaining period of the ITH while RBEs that were granted an ITH followed by 5% Gross Income Tax (GIT) or are currently enjoying 5% GIT are allowed to avail the 5% GIT for 10 years starting April 2021 and then will be subjected to regular corporate income tax (see Note 25).

29. Financial Risk Management Objectives and Policies

The Group has various financial instruments such as cash and cash equivalents, short-term investments, trade and other receivables, investments in equity securities, trade payables and other current liabilities which arise directly from its operations. The Group's principal financial liabilities consist of loans payable and long-term debts. The main purpose of these financial liabilities is to raise financing for the Group's growth and operations. The Group also enters into derivative and hedging transactions, primarily interest rate swaps, cross-currency swap and foreign currency forwards, as needed, for the sole purpose of managing the relevant financial risks that are associated with the Group's borrowing activities and as required by the lenders in certain cases.

The Group has an Enterprise-wide Risk Management Program which aims to identify risks based on the likelihood of occurrence and impact to the business, formulate risk management strategies, assess risk management capabilities and continuously monitor the risk management efforts. The main financial risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, credit concentration risk, merchant risk, and equity price risk. The BOD reviews and approves policies for managing each of these risks as summarized below. The Group's accounting policies in relation to derivative financial instruments are set out in Note 2 to the consolidated financial statements.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debts with floating interest rates, derivative assets and derivative liabilities. The Group believes that prudent management of its interest cost will entail a balanced mix of fixed and variable rate debt. On a regular basis, the Finance team of the Group monitors the interest rate exposure and presents it to management by way of a compliance report. To manage the exposure to floating interest rates in a cost-efficient manner, the Group may consider prepayment, refinancing, or entering into derivative instruments as deemed necessary and feasible.

As at December 31, 2024 and 2023, approximately 54% and 67% of the Group's borrowings are subject to fixed interest rate, respectively.

Interest Rate Risk Table. The following table set out the carrying amounts, by maturity, of the Group's financial instruments that are subject to interest rate risk as at December 31, 2024 and 2023:

				2024		
	Interest Rates	**Within 1 Year**	**More than 1 Year up to 3 Years**	**More than 3 Years up to 5 Years**	**More than 5 Years**	**Total**
				(In Millions)		
Floating Rate						
Parent Company						
₱1.0 billion Corporate Notes	**6.69%**	**₱110**	**₱220**	**₱220**	**₱333**	**₱883**
₱1.0 billion Corporate Notes	**6.60%**	–	**200**	**200**	**593**	**993**
₱312.5 million	**6.60%**	–	**70**	**70**	**170**	**310**
₱312.5 million	**6.78%**	–	**70**	**70**	**170**	**310**
₱111 million	**6.63%**	–	**24**	**24**	**62**	**110**
Power Generation						
FGEN Term Loan Facility:						
BDO Term Loan facility	**6.81%**	–	**400**	**1,800**	**7,800**	**10,000**
BPI Term Loan facility	**6.81%**	–	**400**	**1,800**	**7,800**	**10,000**
FGP Term Loan Facility:						
BDO Term Loan facility	**6.92%**	**684**	**1,118**	–	–	**1,802**
BPI Term Loan facility	**6.92%**	**1,446**	**2,362**	–	–	**3,808**
PNB Term Loan facility	**6.92%**	**440**	**718**	–	–	**1,158**
SMBC Term Loan facility	**6.92%**	**178**	**266**	–	–	**444**
EBWPC Loans						
₱2.7 million Term Loan	**6.59%**	–	**540**	**540**	**1,620**	**2,700**
Mizuho $80.0 million Term Loan	**5.30%**	**278**	**648**	**3,702**	–	**4,628**
EDC Loans						
Mizuho $50.0 million Term Loan	**5.45%**	**1,446**	**1,446**	–	–	**2,892**
BPI ₱7.0 billion Term Loan	**6.6038% - 7.75%**	**700**	**1,440**	**1,560**	**2,250**	**5,950**
BDO ₱5.0 billion Term Loan	**6.70%**	**500**	**1,000**	**1,000**	**1,500**	**4,000**
CBC ₱4.0 billion Term Loan	**6.16%**	**400**	**800**	**800**	**1,200**	**3,200**
BDO ₱2.0 billion Term Loan	**6.68%**	**500**	**1,000**	**1,000**	**2,150**	**4,650**
BPI ₱3.0 billion Term Loan	**6.64%**	**-**	**600**	**600**	**1,800**	**3,000**
BDO ₱3.0 billion Term Loan	**6.32%**	**300**	**600**	**600**	**1,500**	**3,000**
CTBC $50.0 million Term Loan	**5.44%**	**578**	**1,157**	**1,157**	–	**2,892**
CBC ₱3.0 billion Term Loan	**6.53%**	**300**	**600**	**600**	**1,500**	**3,000**
Mizuho $50.0 million Term Loan	**5.19%**	**578**	**1,157**	**1,157**	–	**2,892**
Real Estate						
FPIP Term Loan Facility						
BPI ₱1,200M Term Loan	**3.75%**	**133**	**266**	**266**	**331**	**996**
BPI ₱400M Term Loan	**7.32%**	–	**33**	**22**	**298**	**353**

	Interest Rates	Within 1 Year	2023 More than 1 Year up to 3 Years	More than 3 Years up to 5 Years	More than 5 Years	Total
				(In Millions)		
Floating Rate						
Parent Company						
₱1.0 billion Corporate Notes	Higher of floor rate of 4.25% + GRT or 6 months BVAL plus 0.8	₱110	₱220	₱220	₱443	₱993
₱1.0 billion Corporate Notes	7.0716%, floating interest rate	–	200	200	592	992
Power Generation						
FGPC Term Loan Facility	6.09%	1,977	–	–	–	1,977
FGP Term Loan Facility						
BDO Term Loan facility	6.92%	1,331	2,927	718	–	4,976
BPI Term Loan facility	6.92%	629	1,384	340	–	2,353
PNB Term Loan facility	6.92%	405	890	218	–	1,513
SMBC Term Loan facility	6.92%	170	340	85	–	595
EBWPC						
$37.5 million Commercial Debt Facility	SOFR plus 2.0% margin	156	337	374	203	1,070
$150 million ECA Debt Facility	SOFR plus 2.0% margin	623	1,350	1,495	810	4,278
₱5.6 billion Commercial Debt Facility	PDST-R2 rate plus 2.0% margin	42	126	252	2,468	2,888
EDC						
Mizuho $50 million Term Loan	1.10% margin plus SOFR	–	1,384	1,384	–	2,768
BPI ₱7.0 billion Term Loan	6.61%-7.75%	850	1,400	1,520	3,030	6,800
BDO ₱5.0 billion Term Loan	6.69%	500	1,000	1,000	2,000	4,500
CBC ₱4.0 billion Term Loan	6.92%-7.05%	400	800	800	1,600	3,600
BDO ₱2.0 billion Term Loan	6.70%	200	400	400	1,000	2,000
PMPC ₱1.8 billion BPI Loan	6.39%	390	–	–	–	390
PMPC ₱1.0 billion ING Loan	6.39%	710	–	–	–	710
Real Estate						
FPIP Term Loan Facility						
BPI ₱1.2 billion Term Loan	3.75%	133	266	266	463	1,128
BPI ₱400 million Term Loan	7.32%	–	33	22	342	397

Floating interest rates on financial instruments are repriced semi-annually on each interest payment date. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the foregoing table are noninterest-bearing and are therefore not subject to cash flow interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates in 2024 and 2023, with all other variables held constant, of the Group's income before income tax and equity (through the impact of floating rate borrowings, derivative assets and liabilities):

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax	Effect on Equity
		(In Millions)	
2024			
Parent Company - floating rate borrowing			
Philippine Peso	**100**	**₱19**	**₱–**
	(100)	**(19)**	**–**
Subsidiaries - floating rate borrowings:			
U.S. Dollar	**100**	**133**	**170**
	(100)	**(133)**	**(170)**
Philippine Peso	**100**	**581**	**–**
	(100)	**(581)**	**–**

(Forward)

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax	Effect on Equity
		(In Millions)	
2023			
Parent Company - floating rate borrowing			
Philippine Peso	100	₱20	₱–
	(100)	(20)	–
Subsidiaries - floating rate borrowings:			
U.S. Dollar	100	87	163
	(100)	(87)	(163)
Philippine Peso	100	332	–
	(100)	(332)	–

The effect of changes in interest rates in equity pertains to the fair valuation of derivatives designated as cash flow hedges and is exclusive of the impact of changes affecting the Group's consolidated statements of income.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign Currency Risk with Respect to U.S. Dollar. The Group, except First Gen group (excluding EDC and subsidiaries), FSRI, FPSC, First PV, FPNC, FGHC International, FPH Fund, FPH Ventures, and Pi Ventures Inc. is exposed to foreign currency risk through cash and cash equivalents and short-term investments denominated in U.S. dollar. Any depreciation of the Philippine peso against the U.S. dollar posts foreign exchange gains relating to cash and cash equivalents and short-term investments.

To better manage the foreign exchange risk, stabilize cash flows, and further improve the investment and cash flow planning, the Group may consider derivative contracts and other hedging products as necessary. The U.S. dollar-denominated monetary assets are translated to Philippine peso using the exchange rate of ₱57.845 to US$1 and ₱55.370 to US$1 as at December 31, 2024 and 2023, respectively.

The table below summarizes the Group's exposure to foreign exchange risk with respect to U.S. dollar as at December 31:

	2024		2023	
	U.S. Dollar-denominated Balances	**Philippine Peso Equivalent**	U.S. Dollar-denominated Balances	Philippine Peso Equivalent
		(In Millions)		
Financial assets at amortized cost:				
Cash and cash equivalents	**$98**	**₱5,669**	$41	₱2,270
Short-term investments	**49**	**2,834**	39	2,159
Foreign-currency-denominated assets	**$147**	**₱8,503**	$80	₱4,429

The following table sets out the impact of the range of reasonably possible movement in the U.S. dollar exchange rates with all other variables held constant on the Group's income before income tax and equity in 2024 and 2023.

	Change in Exchange Rate in U.S. dollar against Philippine peso	Effect on Income Before Income Tax
		(In Millions)
2024	**+ 10%**	**₱850**
	- 10%	**(850)**
2023	+ 10%	₱443
	- 10%	(443)

Foreign Currency Risk with Respect to Euro and Other Foreign Currencies. Certain financial assets and liabilities as well as some costs and expenses are denominated in European Union Euro and other foreign currencies. To manage the foreign currency risk, the Group may consider entering into derivative transactions, as necessary.

For EDC, its exposure to foreign currency risk is mitigated to some degree by some provisions of its GRESCs, SSAs and PPAs and Renewable Energy Payment Agreement (REPA). The service contracts allow full cost recovery while its sales contracts include billing adjustments covering the movements in Philippine peso and the U.S. dollar rates, U.S. Price and Consumer Indices, and other inflation factors. To further mitigate the effects of foreign currency risk, EDC will prepay, refinance, enter into derivative contracts, or hedge its foreign-currency-denominated loans whenever deemed feasible or enter into derivative contracts. In translating these foreign-currency-denominated monetary assets and liabilities into Philippine peso, the exchange rates used were ₱57.845 and ₱55.370 to US$1.00 which is the Philippine peso-U.S. dollar closing exchange rates as at December 31, 2024 and 2023, respectively.

The following table sets out the foreign-currency-denominated monetary assets and liabilities (translated into Philippine peso) as at December 31, 2024 and 2023 that may affect the consolidated financial statements of the Group:

	2024		2023	
	U.S. Dollar-denominated Balances	**Equivalent Philippine Peso Balances**	U.S. Dollar-denominated Balances	Equivalent Philippine Peso Balances
		(In Millions)		
Financial Assets				
Assets at amortized cost:				
Cash and cash equivalents	**$96**	**₱5,553**	$39	₱2,159
Short-term investments	**–**	**–**	40	2,215
Receivables	**364**	**21,056**	367	20,321
	460	**26,609**	446	24,695
Financial Liabilities				
Liabilities at amortized cost:				
Long-term debts	**455**	**26,319**	503	27,851
Trade payables and other current liabilities	**346**	**20,014**	–	–
	801	**46,333**	503	27,851
Net financial liabilities	**$341**	**₱19,724**	$57	₱3,156

The Group's exposure to foreign currency changes for all other currencies is not material.

The following table sets out, in 2024 and 2023, the sensitivity to a reasonably possible movement in the foreign currency exchange rates applicable to the Group, with all other variables held constant, to the Group's income before income tax and equity (due to changes in revaluation of monetary assets and liabilities):

	Foreign Currency Appreciates (Depreciates) By	Increase (Decrease) on Income Before Income Tax	Increase (Decrease) on Equity
		(In Millions)	
2024	**10%**	**(₱1,972)**	**₱0.10**
	(10%)	**1,972**	**(0.10)**
2023	10%	(₱316)	₱27
	(10%)	316	(27)

The effect of changes in foreign currency rates in equity pertains to the fair valuation of the derivatives designated as cash flow hedges and is exclusive of the impact of changes affecting the Group's consolidated statements of income.

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 trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

As a policy, the Group trades only with recognized, creditworthy third parties and/or transacts only with institutions and/or banks which have demonstrated financial soundness. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the level of the allowance account is reviewed on an ongoing basis to ensure that the Group's exposure to credit risk is not significant. With respect to credit risk arising from the other financial assets of the Group, which comprise mostly of cash and cash equivalents, short-term investments and trade and other receivables, 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.

Credit Risk Exposure. Default or delinquency on the part of buyers of condominium units are being monitored on an ongoing basis to enable the Group to determine the appropriate action, usually cancelling the sale and holding the units open for sale. Lease receivables are closely monitored based on aging of the accounts. Accounts determined to be uncollectible are recommended for write off. With regard to the other financial assets of the Group, these are also monitored regularly with the result that the Group's exposure to bad debts is not significant.

Trade receivables from sale of condominium units are secured with pre-completed condominium units. The legal title and ownership of these units will only be transferred to the customers upon full payment of the contract price. For other receivables, since the Group trades only with recognized third parties, there is no requirement for collateral.

Maximum exposure to credit risk. The table below shows the maximum exposure to credit risk for the Group's financial assets and contract assets, without taking into account any collateral and other credit enhancements:

	2024	2023
	(In Millions)	
Financial Assets at Amortized Cost		
Cash and cash equivalents*	**₱52,716**	₱65,238
Short-term investments	**200**	3,857
Trade and other receivables:		
Trade	**35,125**	29,148
Others	**1,419**	2,089
Contract assets	**16,481**	15,349
Long-term receivables	**1,836**	1,781
Special deposits and funds	**43**	195
Refundable deposits	**187**	161
Restricted cash	**52**	147
Financial Assets at FVOCI		
Quoted equity securities	**23,759**	20,900
Unquoted equity securities	**647**	442
Proprietary membership	**326**	307
Quoted government debt securities	**187**	187
Financial Assets at FVPL		
Designated as at FVPL	**68**	20
Financial Assets Accounted for as Cash Flow Hedge		
Derivative assets	**14**	268
Total credit risk exposure	**₱133,060**	₱140,089

* *Excluding the Group's cash on hand amounting to ₱12 million in 2024 and 2023. The Group's deposit accounts in certain banks are covered by the Philippine Deposit Insurance Corporation (PDIC) insurance coverage.*

Except for the trade receivables from sale of condominium units, the Group holds no other significant collateral as security and there are no significant credit enhancements in respect of the above assets.

Aging analysis. The aging analysis of financial assets follows:

	2024						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Financial Assets at Amortized Cost							
Cash and cash equivalents*	**₱52,716**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱52,716**
Short-term investments	**200**	–	–	–	–	–	**200**
Trade and other receivables	**29,338**	**1,651**	**4,608**	**291**	**656**	**1,887**	**38,431**
Contract assets	–	**3**	**2**	–	**16,476**	–	**16,481**
Restricted cash	**52**	–	–	–	–	–	**52**
Special deposits and funds	**43**	–	–	–	–	–	**43**
Refundable deposits	**187**	–	–	–	–	–	**187**
Long-term receivables	**1,836**	–	–	–	–	–	**1,836**
Financial Assets at FVOCI							
Quoted equity securities	**23,759**	–	–	–	–	–	**23,759**
Unquoted equity securities	**647**	–	–	–	–	–	**647**
Quoted government debt securities	**187**	–	–	–	–	–	**187**
Proprietary membership	**326**	–	–	–	–	–	**326**
Financial Assets at FVPL							
FVPL investments	**68**	–	–	–	–	–	**68**
Financial Assets Accounted for as Cash Flow Hedge							
Derivative assets	**14**	–	–	–	–	–	**14**
	₱109,373	**₱1,654**	**₱4,610**	**₱291**	**₱17,132**	**₱1,887**	**₱134,947**

* *Excluding the Group's cash on hand amounting to ₱12 million in 2024. The Group's deposit accounts in certain banks are covered by PDIC's insurance coverage.*

	2023						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Financial Assets at Amortized Cost							
Cash and cash equivalents*	₱65,238	₱–	₱–	₱–	₱–	₱–	₱65,238
Short-term investments	3,857	–	–	–	–	–	3,857
Trade and other receivables	29,327	750	782	45	333	1,853	33,090
Contract assets	–	5	4	2	15,338	–	15,349
Restricted cash	147	–	–	–	–	–	147
Special deposits and funds	195	–	–	–	–	–	195
Refundable deposits	161	–	–	–	–	–	161
Long-term receivables	1,781	–	–	–	–	–	1,781
Financial Assets at FVOCI							
Quoted equity securities	20,900	–	–	–	–	–	20,900
Unquoted equity securities	442	–	–	–	–	–	442
Quoted government debt securities	187	–	–	–	–	–	187
Proprietary membership	307	–	–	–	–	–	307
Financial Assets at FVPL							
FVPL investments	20	–	–	–	–	–	20
Financial Assets Accounted for as Cash Flow Hedge							
Derivative assets	268	–	–	–	–	–	268
	₱122,830	₱755	₱786	₱47	₱15,671	₱1,853	₱141,942

* *Excluding the Group's cash on hand amounting to ₱12 million in 2023. The Group's deposit accounts in certain banks are covered by the PDIC's insurance coverage.*

Credit risk under general and simplified approach

	2024				
	General Approach			**Simplified**	
	Stage 1	**Stage 2**	**Stage 3**	**Approach**	**Total**
			(In Millions)		
Cash and cash equivalents*	**₱52,716**	**₱–**	**₱–**	**₱–**	**₱52,716**
Short-term investments	**200**	**–**	**–**	**–**	**200**
Trade and other receivables	**–**	**–**	**–**	**38,431**	**38,431**
Contract assets	**–**	**–**	**–**	**16,481**	**16,481**
Restricted cash	**52**	**–**	**–**	**–**	**52**
Special deposits and funds	**43**	**–**	**–**	**–**	**43**
Refundable deposits	**187**	**–**	**–**	**–**	**187**
Long-term receivables	**1,836**	**–**	**–**	**–**	**1,836**
Quoted equity securities	**23,759**	**–**	**–**	**–**	**23,759**
Unquoted equity securities	**647**	**–**	**–**	**–**	**647**
Quoted government debt securities	**187**	**–**	**–**	**–**	**187**
Proprietary membership	**326**	**–**	**–**	**–**	**326**
FVPL investments	**68**	**–**	**–**	**–**	**68**
Derivative assets	**14**	**–**	**–**	**–**	**14**
	₱80,035	**₱–**	**₱–**	**₱54,912**	**₱134,947**

** Excluding cash on hand amounting to ₱12 million*

	2023				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
			(In Millions)		
Cash and cash equivalents*	₱65,238	₱–	₱–	₱–	₱65,238
Short-term investments	3,857	–	–	–	3,857
Trade and other receivables	–	–	–	33,090	33,090
Contract assets	–	–	–	15,349	15,349
Restricted cash	147	–	–	–	147
Special deposits and funds	195	–	–	–	195
Refundable deposits	161	–	–	–	161
Long-term receivables	1,781	–	–	–	1,781
Quoted equity securities	20,900	–	–	–	20,900
Unquoted equity securities	442	–	–	–	442
Quoted government debt securities	187	–	–	–	187
Proprietary membership	307	–	–	–	307
FVPL investments	20	–	–	–	20
Derivative assets	268	–	–	–	268
	₱93,503	₱–	₱–	₱48,439	₱141,942

** Excluding cash on hand amounting to ₱12 million*

Simplified Approach. Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

	2024							
		Trade receivables						
			Days Past Due					
	Contract assets	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>91days**	**Credit impaired**	**Total**
Expected credit loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100%**	**3.5%**
Estimated total gross carrying amount at default	**₱16,481**	**₱28,185**	**₱1,590**	**₱4,438**	**₱280**	**₱632**	**₱1,887**	**₱53,493**
Expected credit loss	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,887**	**₱1,887**

	2023							
		Trade receivables						
			Days Past Due					
	Contact assets	Current	<30 days	30-60 days	61-90 days	>91days	Credit impaired	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	4.0%
Estimated total gross carrying amount at default	₱15,349	₱27,359	₱703	₱732	₱42	₱312	₱1,853	₱46,350
Expected credit loss	₱–	₱–	₱–	₱–	₱–	₱–	₱1,853	₱1,853

Past due accounts which pertain to trade receivables from sale of condominium units are recoverable since the legal title and ownership of the condominium units will only be transferred to the customers upon full payment of the contract price. In case of cancellation, the condominium units become available for sale. The fair value of the condominium units amounted to ₱57 billion and ₱56 billion as at December 31, 2024 and 2023, respectively.

Past due accounts pertaining to lease are recoverable because security deposits and advance rent paid by the tenants are sufficient to cover the balance in case of default or delinquency of tenants.

The changes in the gross carrying amount of receivables and unbilled revenue from sale of real estate did not materially affect the allowance for ECLs.

Credit Quality of Financial Assets
The evaluation of the credit quality of the Group's financial assets considers the payment history of the counterparties.

Financial assets are classified as 'high grade' if the counterparties are not expected to default in settling their obligations, thus, credit risk exposure is minimal. These counterparties normally include banks, related parties, and customers who pay on or before due date. Financial assets are classified as 'standard grade' if the counterparties settle their obligations to Group with tolerable delays.

As at December 31, 2024 and 2023, substantially all financial assets that are neither past due nor impaired are viewed by management as 'high grade' considering the collectability of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

Concentration of Credit Risk
The Group, through First Gen's operating subsidiaries namely, FGP, FGPC and FNPC (until February 2024), earns substantially all of its revenue from Meralco. Meralco is committed to pay for the capacity and energy generated by the natural gas power plants under the existing long-term PPAs and PSA. While the PPAs provide for the mechanisms by which certain costs and obligations including fuel costs, among others, are passed-through to Meralco or are otherwise recoverable from Meralco, it is the intention of First Gen, FGP, FGPC and FNPC to ensure that the pass-through mechanisms, as provided for in their respective PPAs and PSAs, are followed.

On September 16, 2019, FG Hydro signed a five-year PSA with Meralco and commenced selling electricity to Meralco in July 2020. On January 8, 2021, FG Hydro received an order from ERC granting an interim relief to implement the PSA. On July 19, 2022, FG Hydro and EDC entered into an Assignment and Amendment to the PSA wherein FG Hydro assigned its rights, interests and obligations under the PSA to EDC effective July 26, 2022. A joint manifestation of FG Hydro and Meralco was submitted to the ERC on August 18, 2022.
EDC's geothermal and power generation businesses trade with Meralco, NPC and TransCo. Any failure on the part of Meralco, NPC and TransCo to pay its obligations to EDC would affect EDC's business operations.

The Group's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of the receivables from Meralco, in the case of FPI, FGP, FGPC, FNPC (until February 2024), and FG Hydro, and the receivables from Meralco, NPC and TransCo, in the case of EDC.

The table below shows the risk exposure in respect to credit concentration of the Group as at December 31, 2024 and 2023:

	2024	2023
	(In Millions)	
Trade receivables from Meralco	**₱19,474**	₱14,394
Trade receivables from NPC and TransCo	**2,518**	2,765
Total credit concentration risk	**21,992**	17,159
Total receivables	**36,544**	31,237
Credit concentration percentage	**60.2%**	54.9%

Liquidity Risk

The Group's exposure to liquidity risk refers to lack of funding needed to finance its growth and capital expenditures, service its maturing loan obligations in a timely fashion, and meet its working capital requirements. To manage this exposure, the Group maintains internally generated funds and prudently manages the proceeds obtained from fundraising in the debt and equity markets. On a regular basis, the Group's Treasury Department monitors the available cash balances. The Group maintains a level of cash and cash equivalents deemed sufficient to finance the operations.

In addition, the Group has short-term investments and has available credit lines with certain banking institutions. First Gen's operating subsidiaries' EDC and EBWPC, in particular, each maintained a DSRA to sustain the debt service requirements for the next payment period until December 2019. In 2020, EBWPC executed a surety agreement with EDC guaranteeing the funding of the DSRA in accordance with its loan agreement for the benefit of the lenders in lieu of the DSRA. Meanwhile, FGPC and FGP each secured an SBLC from investment grade SBLC providers in 2018, which were subsequently renewed, to fully fund their obligations under their respective financing agreements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses the financial market conditions for opportunities to pursue fund raising activities.

As at December 31, 2024 and 2023, 17% and 24% of the Group's debts, respectively, will mature in less than one year, based on the carrying value of borrowings reflected in the consolidated financial statements.

The tables below summarize the maturity profile of the Group's financial assets used for liquidity management and liabilities as at December 31, 2024 and 2023 based on contractual undiscounted receipts and payments.

	2024					
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**> 1 to 5 Years**	**More than 5 Years**	**Total**
			(In Millions)			
Financial Assets at Amortized Cost						
Cash and cash equivalents*	**₱52,728**	**₱–**	**₱–**	**₱–**	**₱–**	**₱52,728**
Short-term investments		**–**	**200**	**–**	**–**	**200**
Trade receivables	**29,000**	**1,406**	**4,322**	**293**	**1,523**	**36,544**
Other current financial assets	**252**	**–**	**–**	**–**	**–**	**252**
Other noncurrent financial assets	**–**	**–**	**–**	**1,880**	**–**	**1,880**
	81,980	**1,406**	**4,522**	**2,173**	**1,523**	**91,604**
Financial Assets at FVOCI						
Quoted equity securities	**23,759**	**–**	**–**	**–**	**–**	**23,759**
Unquoted equity securities	**647**	**–**	**–**	**–**	**–**	**647**
Proprietary membership	**326**	**–**	**–**	**–**	**–**	**326**
Quoted government debt securities	**187**	**–**	**–**	**–**	**–**	**187**
	24,919	**–**	**–**	**–**	**–**	**24,919**
Financial Assets at FVPL						
FVPL investments	**68**	**–**	**–**	**–**	**–**	**68**
Derivative asset	**14**	**–**	**–**	**–**	**–**	**14**
	82	**–**	**–**	**–**	**–**	**82**
	₱106,981	**₱1,406**	**₱4,522**	**₱2,173**	**₱1,523**	**₱116,605**

** Excluding cash on hand amounting to ₱12 million*

Financial Liabilities Carried at Amortized Cost						
Loans payable	**₱–**	**₱–**	**₱3,889**	**₱–**	**₱–**	**₱3,889**
Trade payables and other current liabilities*	**12,839**	**49,312**	**–**	**–**	**–**	**62,151**
Lease liabilities	**–**	**921**	**2,122**	**5,132**	**3,637**	**11,812**
Retention payable	**–**	**–**	**1,392**	**1,621**	**–**	**3,013**
Long-term debts	**–**	**8,588**	**14,207**	**37,078**	**97,240**	**157,113**
	₱12,839	**₱58,821**	**₱21,610**	**₱43,831**	**₱100,877**	**₱237,978**

**Excluding statutory liabilities*

	2023					
	On Demand	Less than 3 Months	3 to 12 Months	> 1 to 5 Years	More than 5 Years	Total
			(In Millions)			
Financial Assets at Amortized Cost						
Cash and cash equivalents*	₱65,250	₱–	₱–	₱–	₱–	₱65,250
Short-term investments	–	–	3,857	–	–	3,857
Trade receivables	1,530	28,584	764	42	317	31,237
Other current financial assets	342	–	–	–	–	342
Other noncurrent financial assets	–	–	–	2,210	–	2,210
	67,122	28,584	4,621	2,252	317	102,896
Financial Assets at FVOCI						
Quoted equity securities	20,900	–	–	–	–	20,900
Unquoted equity securities	442	–	–	–	–	442
Proprietary membership	307	–	–	–	–	307
Quoted government debt securities	187	–	–	–	–	187
	21,836	–	–	–	–	21,836
Financial Assets at FVPL						
FVPL investments	20	–	–	–	–	20
Derivative asset	268	–	–	–	–	268
	288	–	–	–	–	288
	₱89,246	₱28,584	₱4,621	₱2,252	₱317	₱125,020

** Excluding cash on hand amounting to ₱12 million*

Financial Liabilities Carried at Amortized Cost						
Loans payable	₱–	₱–	₱8,666	₱–	₱–	₱8,666
Trade payables and other current liabilities*	17,756	46,007	1	–	–	63,764
Lease liabilities	–	797	2,321	7,552	2,555	13,225
Retention payable	–	–	1,081	1,596	–	2,677
Derivative liabilities	42	–	–	–	–	42
Long-term debts	–	4,317	18,342	73,464	27,301	123,424
	₱17,798	₱51,121	₱30,411	₱82,612	₱29,856	₱211,798

**Excluding statutory liabilities*

Changes in Liabilities Arising from Financing Activities

	January 1, 2024	**Cash Flows**	**Foreign Exchange Movement**	**Others**	**December 31, 2024**
			(In Millions)		
Long-term debts*	**₱123,424**	**₱30,420**	**₱3,024**	**₱245**	**₱157,113**
Accrued interest payable	**1,227**	**(7,816)**	**–**	**8,423**	**1,834**
Lease liabilities	**13,225**	**(2,618)**	**–**	**1,205**	**11,812**
Loans payable*	**8,666**	**(4,777)**	**–**	**–**	**3,889**
Dividends payable	**418**	**(5,198)**	**–**	**5,226**	**446**
Other noncurrent liabilities	**5,120**	**(563)**	**–**	**(993)**	**3,564**
Total liabilities from financing activities	**₱152,080**	**₱9,448**	**₱3,024**	**₱14,106**	**₱178,658**

**Cash flow movement presented is net of availment and payments of long-term debts*

	January 1, 2023	Cash Flows	Foreign Exchange Movement	Others	December 31, 2023
			(In Millions)		
Long-term debts*	₱128,695	(₱5,479)	₱412	(₱204)	₱123,424
Accrued interest payable	1,004	(6,096)	–	6,319	1,227
Lease liabilities	1,438	(712)	–	12,499	13,225
Loans payable*	1,762	6,904	–	–	8,666
Dividends payable	872	(4,841)	–	4,387	418
Other noncurrent liabilities	9,630	19,877	–	(24,387)	5,120
Total liabilities from financing activities	₱143,401	₱9,653	₱412	(₱1,386)	₱152,080

**Cash flow movement presented is net of availment and payments of long-term debts*

“Others” include the effect of reclassification of noncurrent portion of long-term debts, accrual of dividends that were not yet paid at year-end, effect of accrued but not yet paid interest on long-term debts, and purchase of treasury shares.

Merchant Risk
Currently, a portion of the Group’s portfolio, thru First Gen, is exposed to the volatility of spot prices because of supply and demand changes, which are mostly driven by factors that are outside of First Gen group’s control. These factors include (but are not limited to) unexpected outages, weather conditions, transmission constraints, and changes in fuel prices. These have caused and are expected to cause instability in the Group’s operating results.

The Group plans to mitigate these risks by having a balanced portfolio of contracted and spot capacities. As at December 31, 2024 and 2023, the Group is 69% and 84% contracted in terms of installed capacity, respectively.

Equity Price Risk
The Group’s quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in equity securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group’s BOD reviews and approves all equity investment decisions.

The following table demonstrates the sensitivity to a reasonably possible change in share price, with all other variables held constant:

	Change in Equity Price*	Effect on Equity
		(In Millions)
Investment in equity securities		
2024	**24%**	**₱5,209**
	(24%)	**(5,209)**
2023	21%	₱3,727
	(21%)	(3,727)

**The sensitivity analysis includes the Group’s quoted equity securities with amounts adjusted by the specific beta for these investments as of reporting date.*

Capital Management
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, comply with its financial loan covenants and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Group monitors capital using a debt-to-equity ratio, which is total debt divided by total equity. The Group’s practice is to keep the debt-to-equity ratio not more than 2.50:1.

	2024	2023
	(In Millions)	
Long-term debt (current and noncurrent portions) (a)	**₱157,113**	₱123,424
Equity attributable to:		
Equity holders of the Parent	**165,703**	148,769
Non-controlling interests	**105,269**	96,125
Total equity (b)	**270,972**	244,894
Debt-to-equity ratio (a/b)	**0.58:1**	0.50:1

The Parent Company and certain of its subsidiaries are obligated to perform certain covenants with respect to maintaining specified debt-to-equity and minimum debt-service-coverage ratios, as set forth in their respective agreements with the creditors (see Note 18). As at December 31, 2024 and 2023, the Group is in compliance with those covenants.

30. **Fair Value of Financial Instruments**

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
		(In Millions)		
Financial Assets				
Derivative assets accounted for as cash flow hedges	**₱14**	**₱14**	₱268	₱268
Designated at FVPL	**68**	**68**	20	20
	82	**82**	288	288
Financial assets at amortized cost:				
Cash and cash equivalents	**52,728**	**52,728**	65,250	65,250
Short-term investments	**200**	**200**	3,857	3,857
Trade and other receivables	**36,544**	**36,544**	31,237	31,237
Special deposits and funds	**43**	**43**	195	195
Refundable deposits	**187**	**187**	161	161
Long-term receivables	**1,836**	**1,586**	1,781	1,647
Restricted cash	**52**	**52**	147	147
	91,590	**91,340**	102,628	102,494
Financial assets at FVOCI:				
Equity securities	**24,406**	**24,406**	21,342	21,342
Proprietary membership	**326**	**326**	307	307
Debt securities	**187**	**187**	187	187
	24,919	**24,919**	21,836	21,836
Total Financial Assets	**₱116,591**	**₱116,341**	₱124,752	₱124,618
Financial Liabilities				
Financial liabilities carried at amortized cost-				
Long-term debts, including current portion	**₱157,113**	**₱171,520**	₱123,424	₱124,275
Trade payables and other current liabilities	**62,151**	**62,151**	63,764	63,764
Loans payable	**3,889**	**3,889**	8,666	8,666
Lease liabilities	**11,812**	**11,809**	13,225	13,105
Retention payable	**3,013**	**3,013**	2,677	2,677
Derivative liabilities accounted for as cash flow hedges	**–**	**–**	42	42
Total Financial Liabilities	**₱237,978**	**₱252,382**	₱211,798	₱212,529

Fair Value and Categories of Financial Instruments
The fair values of cash and cash equivalents, short-term investments, trade and other receivables, restricted cash, special deposits and funds, refundable deposits, loans payable, and trade payables and other current liabilities approximate the carrying amounts at financial reporting date due to the short-term nature of the accounts.

Long-term Receivables
The fair value of long-term receivables was computed by discounting the expected cash flows using the applicable rate of 5.86% and 5.80% in 2024 and 2023, respectively.

Financial assets at FVOCI
The fair values of investments in equity securities and FVPL financial assets are based on quoted market prices as at financial reporting date.

Long-Term Debts
The fair values of long-term debts were computed by discounting the instruments expected future cash flows using the following prevailing rates as at December 31, 2024 and 2023:

Long term Debt	Basis	**2024**	2023
FGP, FGPC*, First Gen** and FNPC	Credit adjusted U.S. dollar interest rates	**4.04% to 4.30%**	3.79% to 5.23%
First Gen and PMPC*	Applicable rates	**6.04% to 6.24%**	5.00% to 5.96%
EDC	Applicable rates	**2.90% to 3.26%**	4.10% to 6.06%
Interest-bearing loans of Rockwell Land	BVAL interest rates	**5.71% to 6.09%**	5.12% to 6.12%
Installment payable at Rockwell Land	BVAL interest rates	**5.71% to 6.09%**	5.12% to 6.12%

**FGPC and PMPC's long-term debts matured on May 17, 2024 and December 14, 2024, respectively.*
***The fair value of First Gen's $200 million BDO long-term debts approximates the carrying value at financial reporting date as it is set to mature in August 2025.*

Fair Value Hierarchy
The table below summarizes the fair value hierarchy of the Group's financial assets and liabilities:

	2024			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
		(In Millions)		
Financial assets at amortized cost - Long-term receivables	**₱–**	**₱–**	**₱1,586**	**₱1,586**
Financial assets at FVOCI:				
Debt instruments	**187**	**–**	**–**	**187**
Equity instruments	**24,406**	**–**	**–**	**24,406**
Proprietary membership	**–**	**326**	**–**	**326**
Financial assets accounted for as cash flow hedges - Derivative assets	**–**	**14**	**–**	**14**
Financial assets designated at FVPL	**66**	**2**	**–**	**68**
Total Financial Assets	**₱24,659**	**₱342**	**₱1,586**	**₱26,587**
Long-term debts	**₱–**	**₱–**	**₱171,520**	**₱171,520**
Lease liabilities	**–**	**–**	**11,809**	**11,809**
Total Financial Liabilities	**₱–**	**₱–**	**₱183,329**	**₱183,329**

	2023			
	Level 1	Level 2	Level 3	Fair Value
		(In Millions)		
Financial assets at amortized cost - Long-term receivables	₱–	₱–	₱1,647	₱1,647
Financial assets at FVOCI:				
Debt instruments	187	–	–	187
Equity instruments	21,342	–	–	21,342
Proprietary membership	–	307	–	307
Financial assets accounted for as cash flow hedges - Derivative assets	–	268		268
Financial assets designated at FVPL	18	2	–	20
Total Financial Assets	₱21,547	₱577	₱1,647	₱23,771

(Forward)

	2023			
	Level 1	Level 2	Level 3	Fair Value
Long-term debts	₱–	₱–	₱124,275	₱124,275
Lease liabilities	–	–	13,105	13,105
Financial liabilities accounted for as cash flow hedges - Derivative liabilities	–	42	–	42
Total Financial Liabilities	₱–	₱42	₱137,380	₱137,422

As at December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements and there were no transfers into and out of Level 3 fair value measurements.

Derivative Financial Instruments
The Group, through First Gen group, enters into derivative transactions such as interest rate swaps to hedge its interest rate risks arising from its floating rate borrowings, cross currency swap and foreign currency forwards to hedge the foreign exchange risk arising from its loans and payables. These derivatives (including embedded derivatives) are accounted for either as derivatives not designated as accounting hedges or derivatives designated as accounting hedges.

The table below shows the fair values of the Group's outstanding derivative financial instruments, reported as assets or liabilities, together with their notional amounts as at December 31, 2024 and 2023. The notional amount is the basis upon which changes in the value of derivative are measured.

	2024			2023		
	Derivative Assets (see Note 11)	**Derivative Liabilities** (see Notes 17 and 19)	**Notional Amount** (see Note 17)	Derivative Assets (see Note 11)	Derivative Liabilities (see Note 17)	Notional Amount
			(In Millions)			
Derivatives Designated as Accounting Hedges						
Freestanding derivatives:						
Interest rate swaps	**₱1**	**₱–**	**$1**	₱268	₱–	$106
Derivatives Not Designated as Accounting Hedges						
Foreign currency forwards	**13**	**–**	**–**	–	42	120
Total derivatives	**₱14**	**₱–**		₱268	₱42	
Presented as:						
Current	**₱13**	**₱–**		₱34	₱42	
Noncurrent	**1**	**–**		234	–	
Total derivatives	**₱14**	**₱–**		₱268	₱42	

Derivatives not Designated as Accounting Hedges
The Group's (through First Gen group) derivatives not designated as accounting hedges may include freestanding derivatives used to economically hedge certain exposures but were not designated by management as accounting hedges. Such derivatives are classified as at FVPL with changes in fair value directly taken to consolidated statements of income. As at December 31, 2024, the Group has no derivatives not designated as accounting hedges. As at December 31, 2023, the Group has foreign currency forwards which were not designated as accounting hedges.

Foreign Currency Forwards - FRLC
In November and December 2023, FRLC entered into several foreign currency forwards with various banks to purchase U.S. dollar at fixed U.S. to Philippine Peso exchange rates. Under the agreements, FRLC was obligated to buy U.S. dollar from various banks amounting to $120.0 million, based on the agreed strike exchange rates. The settlement of each of the forward contract was on February 20, 2024.

Pertinent details of the foreign currency forwards are as follows:

Trade Date	Settlement Date	Banks	Forward rate	Notional amount
14-Nov-23	20-Feb-24	BDO	₱56.080	$20,000
15-Nov-23	20-Feb-24	BDO	55.800	20,000
12-Dec-23	20-Feb-24	ING	55.600	20,000
18-Dec-23	20-Feb-24	BPI	55.820	20,000
21-Dec-23	20-Feb-24	BDO	55.730	20,000
29-Dec-23	20-Feb-24	BDO	55.370	20,000

As at December 31, 2023, the outstanding notional amount of the foreign currency forward contracts designated as cash flow hedges amounted to $120 million. As at December 31, 2023, the aggregate fair value of the foreign currency forward contracts amounted to ₱42 million and was recorded under "Derivative liabilities" account in the consolidated statement of financial position (see Note 17). FRLC recognized the aggregate fair value changes amounting to ₱42 million under "Other income - net" in the "Other income (charges)" account in the consolidated statement of income for the year ended December 31, 2023 (see Note 23).

In 2024, FRLC entered into additional currency forwards with various banks with aggregate notional amount of $238.8 million with settlement date of February 20, 2024.

Derivatives Designated as Accounting Hedges

The Group, through First Gen group, has interest rate swaps accounted for as cash flow hedges for its floating rate loans and cross-currency swaps and foreign currency forwards accounted for as cash flow hedges of its Philippine peso and U.S. dollar-denominated borrowings and Euro-denominated payables, respectively. Under a cash flow hedge, the effective portion of changes in fair value of the hedging instrument is recognized as cumulative translation adjustments in other comprehensive income (loss) until the hedged item affects earnings.

Interest Rate Swap (IRS) - EBWPC

In the last quarter of 2014, EBWPC entered into four (4) IRS agreements with aggregate notional amount of $150 million. This is to partially hedge the interest rate risks on its ECA and Commercial Debt Facility (the Foreign Facility) that is benchmarked against U.S. LIBOR and with flexible interest reset feature that allows EBWPC to select the interest reset frequency to be applied. Under the IRS agreement, EBWPC will receive semi-annual interest of 6-month U.S. LIBOR and will pay fixed interest. EBWPC designated the IRS as hedging instruments in cash flow hedge against the interest rate risk arising from the Foreign Facility. In the first quarter of 2016, EBWPC entered into 3 additional IRS aggregate notional amount of $30 million.

Pertinent details of the IRS are as follows:

Notional amount (in million)	Trade Date	Effective Date	Maturity Date	Fixed rate	Variable rate
US$48.67	10/20/14	12/15/14	10/23/29	2.635%	6-month LIBOR
31.40	10/20/14	12/15/14	10/23/29	2.635%	6-month LIBOR
30.62	10/20/14	12/15/14	10/23/29	2.635%	6-month LIBOR
14.72	02/12/16	06/15/16	10/23/29	1.825%	6-month LIBOR
7.07	10/20/14	12/15/14	10/23/29	2.508%	6-month LIBOR
4.91	02/12/16	06/15/16	10/23/29	1.825%	6-month LIBOR
4.91	02/12/16	06/15/16	10/23/29	1.825%	6-month LIBOR

On October 23, 2024, EBWPC partially unwound its IRS contracts, and on December 16, 2024 unwound the remaining contracts with Norddeutsche Landesbank Girozentrale, Australia and New Zealand Banking Group Ltd., and ING Bank N.V.

On October 27, 2023, EBWPC and the Project Financing lenders executed a Global Deed of Amendment for LIBOR Transition to replace the USD LIBOR references under the ECA Debt Facility and USD Commercial Debt Facility to Term SOFR plus credit adjustment spread of 0.42825%, in view of the cessation of publication of the USD LIBOR on June 30, 2023 (see Note 18). EBWPC also amended the trade confirmations with the IRS swap counterparties to transition from LIBOR to Term SOFR benchmark prior to the next repricing in December 2023.

The maturity date of the seven (7) IRS coincides with the maturity date of the Foreign Facility. As at December 31, 2024 and 2023, the outstanding aggregate notional amount of EBWPC's IRS amounted to nil and ₱5,898 million ($106 million) respectively. The aggregate fair value gains on these IRS amounting to ₱251 million in 2024 and ₱45 million in 2023 were recognized under "Cumulative translation adjustments" account in the consolidated statements of financial position.

On December 12, 2024, EDC entered into an IRS agreement with aggregate notional amount of $10 million. This is to partially hedge the interest rate risk on its Commercial Debt Facility (Foreign Facility) that is benchmarked against six-month Term SOFR and with flexible interest reset feature that allows EDC to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually). As it is EDC's intention to reprice the interest rate on the foreign facility semi-annually, EDC utilizes IRS with semi-annual interest payments and receipts.

Under the IRS agreement, EDC will receive semi-annual interest of six (6)-month Term SOFR and will pay fixed interest. EDC designated the IRS as hedging instruments in cash flow hedge against the interest rate risks arising from the Foreign Facility.

Pertinent details of the IRS are as follows:

Notional amount (in million)	Trade Date	Effective Date	Maturity Date	Fixed rate	Variable rate
US$10.0	12/13/2024	12/12/2024	12/12/2029	3.940%	6-month Term SOFR

The maturity date of the IRS coincides with the maturity date of the Foreign Facility. As at December 31, 2024, the outstanding aggregate notional amount of EDC's IRS amounted to $10.0 million. The aggregate fair value loss on this IRS amounted to ₱1 million as at December 31, 2024.

As at December 31, 2024 and 2023, the fair values of the outstanding IRS amounted to ₱1 million and ₱268 million, respectively. Since the critical terms of the Foreign Facility and IRS match, the Group recognized the aggregate fair value changes on these IRS under "Cumulative translation adjustments" account in the consolidated statements of financial position.

As at December 31, 2024 and 2023, the net movement of changes made to "Cumulative translation adjustments" account for EDC's cash flow hedges are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**(₱3)**	₱72
Changes in fair value	**(496)**	118
	(499)	190
Transferred to consolidated statement of income:		
Gain on unwinding of derivatives	**202**	–
Interest expense	**154**	(168)
	356	(168)
Balance before tax	**(143)**	22
Deferred tax effect on cash flow hedges	**(70)**	(25)
Balance at end of year	**(₱213)**	(₱3)

31. Significant Contracts, Franchise and Commitments

a. PPAs and PSAs

FGP and FGPC
FGP and FGPC each have an existing PPA with Meralco, the largest power distribution company operating in the island of Luzon and the Philippines and the sole customer of both companies. Under the PPA, Meralco will purchase in each contract year from the start of commercial operations, a minimum number of kWh of the net electrical output of FGP and FGPC for a period of 25 years. Billings to Meralco under the PPA are substantially in U.S. dollars and a small portion is billed in Philippine peso. The PPAs are set to expire in 2027 and 2025 for FGP and FGPC, respectively.

On January 7, 2004, Meralco, FGP and FGPC signed the amendment to their respective PPAs. The negotiations resulted in a package of concessions including the assumption of FGP and FGPC of community taxes at current tax rate, while conditional concessions include increasing the discounts on excess generation, payment of higher penalties for non-performance up to a capped amount, recovery of accumulated deemed delivered energy until 2011 resulting in the non-charging of Meralco of excess generation charge for such energy delivered beyond the contracted amount but within a 90% capacity quota. The amended terms under the respective PPAs of FGP and FGPC were approved by the ERC on May 31, 2006.

FNPC
FNPC entered into a PSA with Meralco for the sale and purchase of approximately 414 MW of contract capacity and the associated net electrical output from 414 MW San Gabriel Plant which is located within the FGCEC in Batangas City.

On June 5, 2018, the ERC granted an Interim Relief for the implementation of the PSA subject to certain conditions. On June 26, 2018, FNPC agreed to implement the Interim Relief granted by the ERC and has started its commercial sale to Meralco.

On July 13, 2022, FNPC received the ERC's Decision dated May 26, 2022 approving its PSA with Meralco. The Decision affirmed the applicable rates under the provisional authority granted by the ERC in its Order dated June 5, 2018, subject to certain modifications and conditions. On July 28, 2022, FNPC submitted its Motion for Reconsideration and Motion to Hold in Abeyance the Execution of the Decision (collectively, "MR"). As of March 20, 2025, FNPC's MR is still pending with the ERC.

The term of the PSA is approximately six (6) years, which expired on February 23, 2024. As at March 27, 2025, FNPC is exploring new markets for the San Gabriel Plant and is operating on a merchant basis.

PMPC
On March 14, 2019, PMPC entered into an ASPA with NGCP for the provision of both firm and non-firm regulating reserve services, with a term of five (5) years commencing upon receipt of approval by the ERC. In an Order dated March 12, 2020, ERC granted an Interim Relief to implement the ASPA beginning on the next billing cycle from receipt of the Order. The ASPA was implemented on May 26, 2020 and is effective until May 25, 2025.

FG Bukidnon
On January 9, 2008, FG Bukidnon and Cagayan Electric Power and Light Co., Inc. (CEPALCO), an electric distribution utility operating in the City of Cagayan de Oro, signed a PSA for the FG Bukidnon plant. Under the PSA, FG Bukidnon shall generate and deliver to CEPALCO and CEPALCO shall take, or pay for even if not taken, the available energy for a period commencing on the date of ERC approval until March 28, 2025.

On June 14, 2012, FG Bukidnon signed a Transmission Service Agreement with NGCP for the latter's provision of the necessary transmission services to FG Bukidnon. The charges under this agreement are as provided in the Open Access Transmission Service (OATS) Rules and/or applicable ERC orders/issuances. Under the PSA, these transmission-related charges shall be passed through to CEPALCO.

FG Hydro

Details of the existing contracts of FG Hydro are as follow:

Related Contracts	Expiry Date	Other Developments
First Industrial Township Utilities, Inc. (FITUI)	March 25, 2026	FG Hydro entered into a five-year new PSA with FITUI which commenced on March 26, 2021.
Edong Cold Storage and Ice Plant (ECOSIP)	September 25, 2025	After expiration of the contract with ECOSIP on December 25, 2020, FG Hydro has continued the supply of electricity sourced from WESM at the applicable WESM rates until commencement of a new PSA on April 26, 2021.
NIA-Upper Pampanga River Integrated Irrigation System (NIA- UPRIIS)	October 25, 2020	After expiration of the contract with NIA-UPRIIS on October 25, 2020, FG Hydro has continued the supply of electricity sourced from WESM at the applicable WESM rates. On August 17, 2022, DOE approved the application for renewal of NIA-UPRIIS status as Directly Connected Customer (DCC). As of March 27, 2025, negotiation for new contract is on-going.
Pantabangan Municipal Electric Services (PAMES)	December 25, 2008	There was no new agreement signed between FG Hydro and PAMES. However, FG Hydro had continued to supply PAMES' electricity requirements with PAMES' compliance to the agreed restructured payment terms.

FG Hydro entered into Power Supply General Framework Agreement (PSGFAs) with FGES, BGI, EDC, ULGEI and GCGI for the supply of electricity of their various customers under several contracts. The PSGFAs have a term of 10 years beginning February 1, 2016 for FGES, BGI, EDC and ULGEI, and beginning March 1, 2017 for GCGI. Under these contracts, FG Hydro shall generate and deliver the contracted energy on a monthly basis.

PSA with Meralco

On September 16, 2019, FG Hydro signed a PSA with Meralco for the supply of 100 MW mid-merit capacity. The contract was a result of FG Hydro being awarded as a result of having one of the lowest bids under Meralco's Competitive Selection Process that concluded in September 2019. The contract has a term of five years which expired in December 2024.

On March 16, 2020, FG Hydro received the order of the ERC dated December 10, 2019 granting provisional approval to implement the PSA. However, due to the substantial decrease in demand across the Meralco franchise area brought about by the Luzon-wide Enhanced Community Quarantine (ECQ) at the time, Meralco and FG Hydro agreed to defer the operations effectivity date and all related dates until after the ECQ.

On June 5, 2020, FG Hydro filed a Motion for Reconsideration of the provisional approval. On June 22, 2020, Meralco and FG Hydro entered into an interim arrangement regarding supply and purchase at the provisional approval rate. Under this arrangement, FG Hydro commenced selling electricity to Meralco in July 2020.

On December 16, 2020, FG Hydro received the order of the ERC dated November 11, 2020 granting its Motion for Reconsideration. The order also approved the retroactive implementation of the applicable rate from the date of actual delivery of energy by FG Hydro to Meralco. On January 28, 2021, FG Hydro and

Meralco agreed to amortize the imposition, invoicing and collection of the differential adjustment resulting from such retroactive application to mitigate the impact on customers of the corresponding generation cost pass-through.

On January 8, 2021, FG Hydro received the order of the ERC dated November 26, 2020 granting the Interim Relief authorizing Meralco and FG Hydro to implement their PSA, subject to the same conditions as those provided in the ERC's orders dated December 10, 2019 and November 11, 2020, until revoked or until the issuance of a final decision by the ERC.

On July 19, 2022, FG Hydro and EDC entered into an Assignment and Amendment to the PSA wherein FG Hydro assigned its rights, interests and obligations under the PSA to EDC effective July 26, 2022. A joint manifestation of FG Hydro and Meralco was submitted to the ERC on August 18, 2022. As at March 27, 2025, the Meralco PSA that was assigned to EDC in July 2022 was no longer renewed.

As at December 31, 2024 and 2023, FG Hydro supplies to six customers with contracted demand of 58.23 MW and 41.77 MW, respectively.

<u>EDC, GCGI, BGI and ULGEI</u>

- PPA

  54.0 MW Mindanao II
  The PPA provides, among others, that NPC shall pay EDC a base price per kilowatt-hour of electricity delivered subject to inflation adjustments. The PPA stipulates a minimum energy offtake of 398 GWh per year. The contract is for a period of 25 years, which commenced in June 1999 and expired in June 2024. As at March 27, 2025, the PPA for Mindanao II was no longer renewed.

- PSAs

  EDC, GCGI, and BGI entered into various PSAs with private distribution utilities, electric cooperatives, and retail electricity suppliers for commercial and industrial customers with contract periods ranging from two years to 26 years as of December 31, 2024, and one year and three months to 26 years as of December 31, 2023. The remaining periods of these contracts range from three months to 16 years as of December 31, 2024, and two months to 17 years as of December 31, 2023. Under these contracts, the aforementioned entities shall generate and deliver to its bilateral customers the contracted energy on a monthly basis, and are paid based on price per kilowatt-hour of electricity delivered, subject to certain adjustments such as foreign exchange and inflation.

- ASPA

  EDC and GCGI have each entered into ASPAs with NGCP which is effective for a period of five years, commencing upon approval of the ERC. The ASPAs of EDC and GCGI already expired last September 2022. BGI entered into an ASPA with the NGCP for Black Start Services for a period of five years, and shall expire in September 2028.

- Spot market sales

  Electricity in excess of contracted capacity are sold to the spot market at spot market rate.

- Feed-in Tariff (FIT)

  EDC and EBWPC were issued a FIT COC by the ERC which entitles them to an applicable FIT rate, as prescribed by the ERC. EDC and EBWPC also signed agreements with TransCo, the FIT administrator. These agreements enumerate the rights and obligations under the FIT rules and FIT-All guidelines, in respect to the full payment of the actual energy generation of the generator, at a price equivalent to the applicable FIT rate, subject to adjustments as may be approved by the ERC, for the entire duration of its FIT eligibility period.

- Retail Supply Contract (RSC)

  BGI and GCGI have entered into various retail supply contracts with contestable customers with contract periods ranging from one year to 14 years and four months as at December 31, 2024, and six months to 8 years and six months as of December 31, 2023. The remaining periods of these contracts range from two months to 13 years as of December 31, 2024, and two months to 7 years and five months as of December 31, 2023.

  Under the RSCs, BGI and GCGI charge the customer both the basic energy and pass-through charges, as may be applicable.

- Green Energy Option Program Supply Contracts (GEOP Supply Contracts)

  BGI and GCGI have entered into various GEOP supply contracts with contestable customers with contract periods ranging from one year to 9 years and six months as of December 31, 2024, and from one year to three years as of December 31, 2023. The remaining periods of these contracts range from eight months to eight years and ten months as at December 31, 2024, and three months to two years and nine months as at December 31, 2023.

<u>FGES</u>

RSC and GEOP Supply Contracts
In 2024 and 2023, FGES entered into various RSCs and GEOP supply contracts with contestable customers ranging from a contract period of 1 to 5 years. These agreements provide for the supply of electricity at an agreed price on a per kWh basis to contestable customers. Under the respective RSCs and GEOP supply contracts, FGES charges the customer for both the basic energy, retail supply and pass through charges, as may be applicable. As of December 31, 2024 and 2023, FGES has outstanding RSCs and GEOP supply contracts with 15 and 27 contestable customers, respectively.

PSGFA
In 2024 and 2023, FGES entered into a PSGFA with several generation companies (GenCo's) for a total of 18.22 MW and 62.89 MW contracted demand, respectively. The said contracted demand is intended to serve the contracted energy requirement of the various RSCs and GEOP supply contracts entered into by FGES.

Registration with PEZA
On November 15, 2016, the PEZA approved FGES application for registration as an Ecozone Utilities Enterprise engaged in establishing, operating and maintaining its RES project. The RSCs of FGES with PEZA locator contestable customers expired in 2021. On November 20, 2023, FGES received a notice of approval of the Company's application for cancellation of PEZA registration as an Ecozone Utilities-RES Enterprise effective on the 30th day from receipt of the said notice.

b. Stored Energy Commitment of EDC

   In 1996 and 1997, EDC entered into Addendum Agreements to the PPA related to the Unified Leyte power plants, whereby any excess generation above the nominated energy or take-or-pay volume will be credited against payments made by NPC for the periods it was not able to accept electricity delivered by EDC.

c. GSPAs

   <u>FGP and FGPC</u>
   FGP and FGPC each has an existing GSPA with the consortium of Prime Energy Resources Development B.V. (formerly Shell Philippines Exploration B.V.), UC38 LLC, PNOC Exploration Corporation, Prime Oil & Gas, Inc. (collectively referred to as Gas Sellers), for the supply of natural gas in connection with the operations of their respective power plants. The Santa Rita GSPA expired on January 1, 2024, while the San Lorenzo GSPA expired on July 2, 2024.

Under the GSPA, FGP and FGPC are obligated to purchase and take (or pay for, if not taken) a minimum quantity of gas for each Contract Year (which runs from December 26 of a particular year up to December 25 of the immediately succeeding year), called the Take-Or-Pay Quantity (TOPQ). Thus, if the TOPQ is not taken within a particular Contract Year, FGP and FGPC incur an "Annual Deficiency" for that Contract Year equivalent to the total volume of unused gas (i.e., the TOPQ less the actual quantity of gas taken). FGP and FGPC are required to make payments to the Gas Sellers for such Annual Deficiency after the end of the Contract Year.

After paying for Annual Deficiency gas, FGP and FGPC can, subject to the terms of the GSPA, "make-up" such Annual Deficiency by taking the unused-but-paid-for gas (without further charge) within the period specified under the GSPAs.

Included in the June 9, 2010 Settlement Agreement is the GSPA amendment in which FGP, FGPC and the Gas Sellers agreed that where the Gas Sellers reschedule, reduce or cancel Scheduled Maintenance and fail to provide a rescheduling notice within the period required under the respective GSPAs of FGP and FGPC, Gas Sellers shall be permitted to carry forward to succeeding Contract Years the number of Days within the originally scheduled period where no actual maintenance is carried out by the Gas Sellers provided that Gas Sellers tender for delivery, and FGP and FGPC actually take, gas equivalent to the Daily Threshold of San Lorenzo and Santa Rita. FGP and the Gas Sellers likewise agreed that references to "the Base TOPQ divided by 350" in certain clauses of the San Lorenzo GSPA shall be replaced by "61.429 TJ".

FNPC and PMPC

On April 12, 2017, FNPC and PMPC each executed GSPAs with the Gas Sellers. Pursuant to their respective GSPAs, the Gas Sellers shall supply natural gas fuel until the aggregate natural gas deliveries reach their respective Total Contract Quantity (TCQ), or on February 23, 2024, whichever comes earlier. FNPC and PMPC can request additional volume from the Gas Sellers as envisaged in their respective GSPAs. The San Gabriel GSPA and the Avion GSPA expired on February 23, 2024.

On December 24, 2021, FNPC and PMPC each executed GSPA with Philippine National Oil Company (PNOC). Pursuant to their respective PNOC GSPAs, PNOC shall supply natural gas fuel until the aggregate natural gas deliveries reach their respective TCQ, or on February 23, 2024, whichever comes earlier. The GSPAs shall be automatically extended upon extension of the production term under the Service Contract No. 38 (SC38).

Under their respective GSPAs, each Seller shall sell and tender for delivery to the buyer, and the buyer shall purchase and take from each Seller the quantity of natural gas nominated by the buyer in accordance with the terms and subject to the conditions specified in the agreement. Irrevocable SBLCs were provided by FNPC and PMPC in favor of the Gas Sellers and PNOC to secure their payment obligations under their respective GSPAs.

New GSPA

On December 26, 2023, FGPC, FGP, FNPC and PMPC ("FG Buyers") executed a new GSPA with the Gas Sellers for the remaining available and uncontracted Malampaya natural gas volume. The new GSPA has a term of approximately 15 years which is until the expiration of the extended production term under the SC38. During the term of the new GSPA, the FG Buyers may consume the remaining 181.41 PJ, NCV of natural gas and may take on additional gas volumes once available. The delivery start date of gas to each FG Buyer in the new GSPA shall start upon the end of term of each of the existing GSPAs with the Gas Sellers. FNPC and PMPC provided irrevocable SBLCs in favor of the Gas Sellers to secure their payment obligations under the new GSPA.

Total cost of natural gas consumed amounted to ₱13.7 billion in 2024, ₱13.5 billion in 2023 and ₱15.5 billion in 2022 for FGP; and ₱25.9 billion in 2024, ₱24.8 billion in 2023 and ₱28.5 billion in 2022 for FGPC.

Total cost of natural gas consumed amounted to ₱4.7 billion in 2024, ₱8.1 billion in 2023 and ₱7.2 billion in 2022 for FNPC; and ₱2.4 billion in 2024, ₱1.9 billion in 2023 and ₱1.9 billion in 2022 for PMPC.

d. Service Contract

GSCs/GRESCs of EDC
Under P.D. 1442, all geothermal resources in public and/or private lands in the Philippines, whether found in, on or under the surface of dry lands, creeks, rivers, lakes, or other submerged lands within the waters of the Philippines, belong to the State, inalienable and imprescriptible, and their exploration, development and exploitation. Furthermore, the Philippine Government may enter into service contracts for the exploration, development and exploitation of geothermal resources in the Philippines.

Pursuant to P.D. 1442, EDC had entered into the following Geothermal Service Contracts (GSCs) with the Government of the Republic of the Philippines (represented by the DOE) for the exploration, development and production of geothermal fluid for commercial utilization:

1. Tongonan, Leyte, dated May 14, 1981
2. Southern Negros, dated October 16, 1981
3. Bac-Man, Sorsogon, dated October 16, 1981
4. Mt. Apo, Kidapawan, Cotabato, dated March 24, 1992
5. Northern Negros, dated March 24, 1994

The exploration period under the service contracts shall be five (5) years from the effective date, renewable for another two (2) years if EDC has not been in default in its exploration, financial and other work commitments and obligations and has provided a work program for the extension period acceptable to the Government. Where geothermal resource in commercial quantity is discovered during the exploration period, the service contracts shall remain in force for the remainder of the exploration period or any extension thereof and for an additional period of 25 years thereafter, provided that, if EDC has not been in default in its obligations under the contracts, the Government may grant an additional extension of 15 to 20 years.

Under P.D. 1442, the right granted by the Government to EDC to explore, develop, and utilize the country's geothermal resource is subject to sharing of net proceeds with the Government. The net proceeds is what remains after deducting from the gross proceeds the allowable recoverable costs, which include development, production and operating costs. The allowable recoverable costs shall not exceed 90% of the gross proceeds. EDC pays 60% of the net proceeds as government share and retains the remaining 40%. The 60% government share is comprised of government share and income taxes. The government share is split between the DOE (60%) and the LGUs (40%) where the project is located.

GRESCs and Geothermal Operating Contracts (GOC)
The RE Law, which became effective in January 2009, mandates the conversion of existing GSCs under P.D. 1442 into GRESCs to avail of the incentives under the RE Law. Aside from the tax incentives, the significant terms of the service concessions under the GRESCs are similar to the GSCs except that EDC has control over any significant residual interest over the steam fields, power plants and related facilities throughout the concession period and even after the concession period.

On September 10, 2009, EDC was granted the Provisional Certificate of Registration as an RE Developer for its existing projects. With the receipt of the certificates of provisional registration as geothermal RE Developer, the fiscal incentives of the RE Law was availed of by EDC retroactive from the effective date of such law on January 30, 2009. Fiscal incentives include among others, the change in the applicable corporate tax rate from 30% to 10% for RE-registered activities.

The GSCs were fully converted to GRESCs upon signing of the parties on October 23, 2009; thereby EDC is now the holder of five (5) GRESCs and the corresponding DOE Certificate of Registration as an RE Developer for the following geothermal projects:

1. GRESC 2009-10-001 for Tongonan Geothermal Project;
2. GRESC 2009-10-002 for Southern Negros Geothermal Project;
3. GRESC 2009-10-003 for Bacon-Manito Geothermal Project;
4. GRESC 2009-10-004 for Mt. Apo Geothermal Project; and
5. GRESC 2009-10-005 for Northern Negros Geothermal Project

EDC also holds geothermal resource service contracts, each with a five to seven-year pre-development period and a 25-year contract period expiring between 2040 and 2048, renewable for another 25 years, for the following prospect areas:

1) Mt. Zion 2 Geothermal Project
2) Amacan Geothermal Project
3) Mainit-Sadanga Geothermal Project
4) Mt. Sembrano Geothermal Power Project
5) Buguias-Tinoc Geothermal Power Project

Under the GRESCs, EDC pays the Philippine Government a government share equivalent to 1.5% of the gross income from the sale of geothermal steam produced and such other income incidental to and arising from generation, transmission, and sale of electric power generated from geothermal energy within the contract areas. Under the GRESCs, gross income derived from business is an amount equal to gross sales less sales returns, discounts and allowances, and cost of goods sold. Cost of goods sold includes all business expenses directly incurred to produce the steam used to generate power under a GRESC.

The RE Law also provides that the exclusive right to operate geothermal power plants shall be granted through a Renewable Energy Operating Contract with the Philippine Government through the DOE. On May 8, 2012, EDC, through its subsidiaries GCGI and BGI secured three (3) GOCs, each with a 25-year contract period expiring in 2037 and renewable for another 25 years, covering the following power plant operations:

1. Tongonan Geothermal Power Plant (DOE Cert. of Registration GOC 2012-04-038)
2. Palinpinon Geothermal Power Plant (DOE Cert. of Registration GOC 2012-04-037); and
3. Bacon-Manito Geothermal Power Plant (DOE Certificate of Registration No. GOC No. 2012-04-039)

The Government share, presented as "Others" under the "Costs of sale of electricity" account, for both the GRESCs and GOCs is allocated between the DOE (60%) and the LGUs (40%) within the applicable contract area.

<u>WESC of EDC and FGVEI</u>
On September 14, 2009, EDC entered into a WESC 2009-09-004 with the DOE granting EDC the right to explore and develop the Burgos Wind Project for a period of 25 years from effective date. The pre-development stage under the WESC shall be two years which can be extended for another one year if EDC does not default in its exploration or work commitments and provides a work program for the extension period upon confirmation by the DOE. Within the pre-development stage, EDC shall undertake exploration, assessment and other studies of wind resources in the contract area. Upon declaration of commerciality, as confirmed by the DOE, the WESC shall remain in force for the balance of the 25-year period for the development/commercial stage.

The DOE shall approve the extension of the WESC for another 25 years under the same terms and conditions, provided that EDC is not in default in any material obligations under the WESC, and has submitted a written notice to the DOE for the extension of the contract not later than one (1) year prior to the expiration of the 25-year period. Further, the WESC provides that all materials, equipment, plants and other installations erected or placed on the contract area by EDC shall remain the property of EDC throughout the term of the contract and after its termination.

On May 26, 2010, the BOD of EDC approved the assignment and transfer to EBWPC of all the contracts, assets, permits and licenses relating to the establishment and operation of the Burgos Wind Project under DOE Certificate of Registration No. WESC 2009-09-004. On May 16, 2013, EBWPC was granted a Certificate of Confirmation of Commerciality by the DOE.

As at December 31, 2024, EBWPC holds 15 WESC's with the DOE, each with a contract period of 25 years. The WESC's cover the following projects:

Projects	DOE Certificates of Registration
1. 150 MW wind project in Burgos, Ilocos Norte	WESC 2009-09-004 (expiring in 2034)
2. 84 MW wind project in Pagudpud, Ilocos Norte	WESC 2010-02-040 (expiring in 2035)
3. Burgos 1 wind project in Burgos, Ilocos Norte	WESC 2013-12-063 (expiring in 2038)
4. Burgos 2 wind project in Burgos, Ilocos Norte	WESC 2013-12-064 (expiring in 2038)
5. Iloilo 1 wind project in Batad & San Dionisio, Iloilo	WESC 2014-07-078 (expiring in 2039)
6. Burgos 3 wind project in Burgos and Pasuquin, Ilocos Norte	WESC 2015-09-085 (expiring in 2040)
7. Burgos 4 wind project in Burgos, Ilocos Norte	WESC 2015-09-086 (expiring in 2040)
8. Ilocos Norte Wind Power Project in Burgos and Pasuquin, Ilocos Norte	WESC 2021-01-147 (expiring in 2046)
9. Pasuquin Wind Power Project in Pasuquin Ilocos Norte	WESC 2021-01-148 (expiring in 2046)
10. Guimaras Onshore Wind Project	WESC 2022-03-199 (expiring in 2047)
11. Guimaras 1 Offshore Wind Project	WESC 2022-05-202 (expiring in 2047)
12. Iloilo-Guimaras Offshore Wind Project	WESC 2022-05-203 (expiring in 2047)
13. Guimaras-Negros Occidental Offshore Wind Project	WESC 2022-05-204 (expiring in 2047)
14. Laguna 1 Onshore Wind Project	WESC 2022-10-224 (expiring in 2047)
15. Negros Occidental Offshore Wind Project	WESC 2022-10-225 (expiring in 2047)

As of December 31, 2024, FGVEI has been awarded thirty-eight (38) WESC, all of which are undergoing feasibility studies.

Solar Energy Service Contract (SESC) and Solar Energy Operating Contracts (SEOC) of FGEN Power Ventures
As at December 31, 2024, EDC holds two (2) SESCs with the DOE for 25-year contract periods expiring between 2039 and 2042. The SESCs cover the following projects: (1) 6.82 MW Burgos Solar Project in Burgos, Ilocos Norte; (2) Gaisano Iloilo, Iloilo City Solar Rooftop Project*.

**SESC assigned to EDC Siklab Power Corporation*

As of December 31, 2024, FGEN Power Ventures was awarded with three SEOC, all of which are undergoing project development.

SSAs of EDC
Following the commercial operations of the BacMan units, PSALM/NPC, EDC, and BGI have agreed to allow EDC bill BGI directly, on behalf of PSALM/NPC, starting October 1, 2013 for BacMan II and January 28, 2014 for BacMan I.

With the expiry of the SSA for BacMan I in May 2018, EDC and BGI entered into several interim arrangements from June 1, 2018 to December 25, 2023 for the supply of steam for BacMan I. On December 22, 2023, this was further extended from December 25, 2023 to December 25, 2024 or until the new SSA takes effect, whichever is earlier.

With the expiry of BacMan II's Cawayan Unit SSA in March 2019, EDC and BGI entered into several interim arrangements from April 30, 2019 to December 25, 2023. On December 22, 2023, this was further extended from December 25, 2023 to December 25, 2024 or until a new SSA takes effect whichever is earlier.

HSC
A number of companies within First Gen group have HSCs with the DOE which grant the exclusive right to explore, develop and utilize the hydropower resources in the following contract areas for a period of 25 years from 2009 to 2034: (1) Agusan River, (2) Puyo River Hydropower Project in Jabonga, Agusan del Norte; (3) Cabadbaran River Hydropower Project in Cabadbaran, Agusan del Norte; (4) Bubunawan River Hydropower Project in Baungon and Libona, Bukidnon; (5) Tumalaong River Hydropower Project in Baungon, Bukidnon; and (6) Tagoloan River Hydropower Project in Impasugong and Sumilao, Bukidnon. These HSCs allows for the availment of both fiscal and non-fiscal incentives pursuant to the RE Law.

On December 17, 2019, FGEN San Isidro became the implementing corporation for Cagayan 1N HSC. On August 27, 2020, FG Mindanao and FGEN San Isidro executed the Deed of Assignment transferring all rights, interests and obligations under the HSC from former to latter. The Deed of Assignment was approved by the DOE and a new Certificate of Registration was issued to FGEN San Isidro on April 14, 2021. On September 12, 2023, DOE has awarded a new HSC to FGEN San Isidro for the development of San Isidro Hydroelectric Power Project in Cagayan de Oro and Talakag, Bukidnon. On October 6, 2023, following the receipt of the new HSC, FGEN San Isidro has notified the DOE regarding its intention to surrender the contract area covered by the Cagayan 1N HSC. In a letter dated March 7, 2024, the DOE approved the said request to surrender the Cagayan 1N HSC and informed FGEN San Isidro to settle the remaining financial obligations pursuant to the HSC. On March 21, 2024, FGen San Isidro settled all its remaining financial obligations pursuant to the HSC with the DOE.

On December 27, 2019, FG Hydro entered into a HSC with the DOE for the 120 MW Aya Pumped-Storage Hydroelectric Power Project in Pantabangan, Nueva Ecija. The HSC provides FG Hydro the exclusive right to explore, develop, and utilize the hydropower resource within the contract area.

On July 30, 2024, FG Hydro notified the DOE of the project's commercial feasibility. On December 11, 2024, FG Hydro received the Certificate of Confirmation of Commerciality.

As at March 27, 2025, the relevant subsidiaries of First Gen continue to coordinate with the DOE for the settlement of the remaining obligations pertaining to the surrendered HSCs.

Agreements with NGCP

FG Hydro entered into a MOA with NGCP on August 31, 2011 for the performance of services on the operation of the PAHEP 230 kV switchyard and its related appurtenances (Switchyard). NGCP shall pay FG Hydro a monthly fixed operating cost of ₱0.1 million and monthly variable charges representing energy consumed at the Switchyard.

The MOA is effective for a period of five years and renewable for another three years under such terms as maybe agreed by both parties. The MOA with NGCP expired on August 31, 2016 after which FG Hydro continued to perform services on the operation of the Switchyard until the signing of a new contract.

A new MOA, effective for another period of five years upon signing by the parties, was signed with NGCP on January 20, 2020. The MOA is renewable for another three years under such terms and conditions as may be agreed by the parties.

e. Operations & Maintenance (O&M) Agreements

FGP and FGPC

FGP and FGPC have separate full scope O&M Agreements with SEI mainly for the operation, maintenance, management and repair services of their respective power plants. As stated in the respective O&M Agreements of FGP and FGPC, SEI is responsible for maintaining an adequate inventory of spare parts, accessories and consumables. SEI is also responsible for replacing and repairing the necessary parts and equipment of the power plants to ensure the proper operation and maintenance of the power plants to meet the contractual commitments of FGP and FGPC under their respective PPAs and in accordance with the Good Utility Practice.

Each signed contract took effect on August 1, 2010 (the Commencement Date) and will expire on the earlier of (i) the 20th anniversary of the Commencement Date, or (ii) the satisfactory completion of the major inspections of all units of the San Lorenzo and Santa Rita power plants, in each case nominally scheduled at 200,000 equivalent operating hours, as stipulated in their respective O&M Agreements. The monthly O&M charges include Euro, U.S. dollar and Philippine peso components.

In 2024 and 2023, prepaid major spare parts totaling to ₱2,042 million and nil, respectively, were reclassified to the "Property, plant and equipment" account as a result of the completion of the scheduled major maintenance outage of the Santa Rita power plant (see Note 12).

As at December 31, 2024 and 2023, certain O&M charges amounting ₱3,326 million and ₱3,457 million, respectively, which relate to major spare parts that are expected to be replaced during the next scheduled major maintenance outage, were presented as part of the "Prepaid major spare parts" under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).

FNPC

On December 16, 2013, FNPC signed an O&M Agreement with SEI for the operation, maintenance, management and repair services of San Gabriel power plant for a period of 10 years. SEI is responsible for the day-to-day administration of the power plant, maintaining adequate inventory of spare parts, accessories and consumables, and shall operate, maintain and repair the plant in accordance with Good Utility Practice.

In 2024, prepaid major spare parts totaling to ₱949 million were reclassified to the "Property, plant and equipment" account as a result of the completion of the scheduled major maintenance outage of the San Gabriel power plant. As at December 31, 2024 and 2023, certain O&M charges amounting to ₱214 million and ₱963 million, respectively, which relate to major spare parts that are expected to be replaced during the next scheduled major maintenance outage, were presented as part of the "Prepaid major spare parts" under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 15).

EBWPC

EBWPC will operate and maintain the wind farm under a 10-year O&M agreement with Vestas. The Vestas O&M contract is a service and energy-based availability agreement based on Vestas' AOM 5000 product. The agreement is a full-scope maintenance contract covering both scheduled and unscheduled maintenance with an energy-based availability on the wind turbines. The agreement covers the wind turbines, wind farm electrical balance-of-plant systems, the wind turbine yaw back-up generators, and the Burgos Substation as opposed to a traditional O&M contract that provides a guarantee that the turbines in a wind power plant are operational for a defined period of time on an annual basis (referred to as time-based availability), the AOM 5000 model provides an energy-based guarantee, which encourages the contractor to ensure that the turbines are fully-operational when the wind is blowing.

The 10-year contract expired on December 17, 2024, and was renewed for another 10 years, extending the agreement until December 17, 2034.

FG Hydro

In 2006, FG Hydro entered into an O&M Agreement with NIA, with the conformity of NPC. Under the O&M Agreement, NIA will manage, operate, maintain and rehabilitate the Non-Power Components of the PAHEP/MAHEP in consideration for a service fee based on the actual cubic meter of water used by FG Hydro for power generation. FG Hydro has fully funded the required Trust Fund amounting to ₱100 million since October 2008.

The O&M Agreement is effective for a period of 25 years commencing on November 18, 2006 and renewable for another 25 years under the terms and conditions as may be mutually agreed upon by both parties.

Maintenance Service Agreement (MSA) of PMPC

Prime Meridian has an offshore MSA with GE Vernova Operations, LLC and an onshore MSA with GE Power Philippines, Inc., executed on May 6, 2021 and will expire on June 30, 2025.

The MSAs cover the provision of several maintenance services to the Avion Plant which include the: (i) provision of a resident engineer, (ii) supply and installation of a remote monitoring system (including monthly reporting), (iii) performance of Scheduled Maintenance Services, (iv) carry out of Condition-based Maintenance Services, (v) supply of spare parts, and (vi) other related services.

Total cost pertaining to the MSA with GE (shown as part of the "Power plant operations and maintenance" in the "Costs of sale of electricity" account in the consolidated statements of income) amounted to ₱262 million in 2024 and ₱72 million in 2023.

SIA
FGPC has an agreement with Meralco and NPC for: (a) the construction of substation upgrades at the NPC substation in Calaca and the donation of such substation upgrades to NPC; (b) the construction of a 35-kilometer transmission line from the power plant to the NPC substation in Calaca and subsequent donation of such transmission line to NPC; (c) the interconnection of the power plant to the NPC Grid System; and (d) the receipt and delivery of energy and capacity from the power plant to Meralco's point of receipt.

Following the assignment by NPC to TransCo of all of NPC's rights, title, interests and obligations in and to the SIA, FGPC, on July 15, 2015, transferred and conveyed to TransCo, by way of donation, the Substation Improvements amounting to ₱63 million (see Note 14). As at March 27, 2025, FGPC continuously manage the maintenance of the 230 kilovolts (kV) Santa Rita to Calaca transmission line in accordance with the provision of SIA.

Maintenance services related to the 230 kV Santa Rita to Calaca transmission line in Batangas are being rendered by Hansei Corporation (Hansei) under a Transmission Line Maintenance Agreement (TLMA) that was signed and became effective on January 10, 2017. The TLMA required a monthly payment of ₱1.3 million for the routine services and a monthly payment of ₱0.3 million as retainer fee, with both fees subject to periodic adjustment as set forth in the agreement.

PMPC likewise signed a 2-year TLMA with Tan Delta Electric Corporation (Tan Delta) on September 20, 2019 wherein the latter shall be responsible for the intermittent maintenance services of the Avion substation and transmission line. PMPC's TLMA with Tan Delta was extended for another two (2) years from September 20, 2021 to September 19, 2023. Following the expiration of the TLMA in September 2023, PMPC executed a Medium Voltage and High Voltage Equipment Maintenance Agreement with Tan Delta on May 14, 2024 for a period of 3 years from the date of its execution. Total operations and maintenance expense (shown as part of the "Power plant operations and maintenance" in the "Costs of sale of electricity" account in the consolidated statements of income) amounted to ₱2 million in 2024, ₱6 million in 2023, and ₱11 million in 2022.

Connection Agreement (CA)

FGPC and FGP
Following the requirement of the ERC, FGPC and FGP each executed a CA with NGCP. It is envisaged in the CAs of FGPC and FGP with NGCP that their obligations shall be governed by OATS Rules, the Philippine Grid Code and relevant issuances. The CAs of FGPC and FGP with NGCP took effect on September 1, 2021, and shall remain effective until March 25, 2031.

FNPC and PMPC
On November 26, 2015, ERC approved FNPC's application for authority to develop, own and operate a dedicated point to point transmission facility to connect to the existing San Lorenzo (SL) Switchyard. The San Gabriel to SL Connection Facility, an approximately 200-meter transmission line from the San Gabriel plant to the existing SL Switchyard, is connected to the transmission system of NGCP via the existing SL Switchyard.

FNPC and PMPC each have a CA with NGCP. It is envisaged in the CA that the obligations of FNPC, PMPC and NGCP, respectively, shall be governed by OATS Rules, the Philippine Grid Code and relevant issuances. The CAs of FNPC and PMPC with NGCP took effect on July 1, 2014 and each has a term of 20 years.

Metering Service Agreement (MSA)
FGPC, FGP, FNPC and PMPC each has entered into an MSA with NGCP. Pursuant to the MSA, NGCP agreed to provide revenue metering facilities and services for measuring the energy consumed by Santa Rita, San Lorenzo, San Gabriel and Avion power plants. FGPC and FGP's MSA took effect on December 26, 2016 and July 26, 2017, respectively. FNPC and PMPC's MSA both took effect on May 26, 2016. Each of the four agreements has a term of 10 years.

Transmission Service Agreement (TSA)
FGPC, FGP, FNPC and PMPC each has entered into a TSA with NGCP. Under the TSA, NGCP agreed to provide transmission services to Santa Rita, San Lorenzo, San Gabriel and Avion power plants. FGPC and FGP's TSA took effect on December 26, 2016 and July 26, 2017, respectively. FNPC and PMPC's TSA both took effect on May 26, 2016. Each of the four agreements has a term of 10 years.

f. ASPA of FG Hydro

FG Hydro entered into an agreement with the NGCP on February 3, 2011 after being certified and accredited by NGCP as capable of providing Contingency Reserve Service, Dispatchable Reserve Service, Regulating Reserve Service, Reactive Power Support Service and Black Start Service. Under the agreement, FG Hydro through the PAHEP facility shall provide any of the above-stated ancillary services to NGCP.

Upon expiration of the original three-year term, the ASPA was automatically renewed for another three (3) years subject to the same terms of the agreement. The extended agreement ended on February 23, 2017.

On April 10, 2017, FG Hydro and NGCP entered into a new ASPA with a term of five (5) years. The ERC granted provisional authority for the new ASPA on March 9, 2018 and implementation commenced in April 2018. The ASPA expired on March 25, 2023.

After the expiration of the ASPA, FG Hydro participated in the Ancillary Services Competitive Selection Process conducted by NGCP in March 2023, FG Hydro bid for and was awarded Black Start Services and Reactive Power Support.

On May 2, 2023, FG Hydro and NGCP entered into a new ASPA with a term of five years, or until September 20, 2028. The ERC granted provisional authority for the new ASPA on August 15, 2023 and implementation commenced in September 2023.

g. REPA

Under Section 2.2 of the ERC Resolution No. 24, Series of 2013, *A Resolution Adopting the Guidelines on the Collection of the FIT Allowance (FIT-All) and the Disbursement of the FIT-All Fund* (the FIT-All Guidelines), all eligible renewable energy (RE) plant shall enter into a REPA with the TransCo for the payment of the FIT.

Pursuant to the FIT-All Guidelines, EBWPC entered into a REPA with TransCo for its Burgos Wind Power Plants. The REPA became effective after all the documents enumerated in Section 3.1 of the REPA has been submitted to and certified complete by TransCo. Included in those required documents is the FIT COC issued by the ERC on April 13, 2015.

The ERC granted on April 13, 2015 the FIT COC for the Burgos Wind Project - Phase I and II, which specifies that the project is entitled to the FIT rate of ₱8.53 per kilowatt-hour (kWh), subject to adjustments as may be approved by the ERC, from November 11, 2014 to November 10, 2034.

Similarly, on April 24, 2015, EDC entered into a REPA for its 4.16-MW Solar power plants with TransCo. In accordance with the REPA, all actual RE generation from the commercial operations date (COD) until the effective date of the REPA (effective date) were billed to and collected from the Independent Electricity Market Operator of the Philippines, Inc. (IEMOP) at market price.

After the effective date of the REPA, billings for all actual RE generation have been submitted directly to and collected from the TransCo at the applicable FIT rate as approved by the ERC. In addition, the actual FIT differential from the COD until the effective date was also billed to TransCo over the number of months which lapsed during that period.

FIT rate adjustments. On May 26, 2020, the ERC approved Resolution No. 06, Series of 2020 which approves and adopts FIT rate adjustments, for the years 2016, 2017, 2018, 2019 and 2020 using 2014 as the base year for the consumer price index and foreign exchange. The said resolution was published in a newspaper of general circulation on November 17, 2020 and became effective 15 days after. Accordingly, in 2020, EDC recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021.

In the absence of the 2024 and 2023 ERC approved FIT rates, revenue in 2024 and 2023 were based on the lower rate between the 2020 ERC approved FIT rates and the 2024 and 2023 forecasted FIT rates.

Total FIT revenue adjustment recognized in 2024, 2023 and 2022 by EBWPC and EDC amounted to ₱289 million, ₱359 million, and ₱266 million, respectively.

As at December 31, 2024 and 2023, the noncurrent portion of the receivable from TransCo amounting to ₱1,285 million and ₱1,375 million, respectively, is included in the "Long-term receivables" account under "Other noncurrent financial assets", while the current portion amounting to ₱509 million and ₱79 million, respectively, is included under "Trade and other receivables" in the consolidated statement of financial position (see Notes 7 and 11).

h. Franchise

First Gen, through FGHC, has a franchise granted by the 11th Congress of the Philippines through R.A. No. 8997 to construct, install, own, operate and maintain a natural gas pipeline system for the transportation and distribution of the natural gas throughout the island of Luzon (the Franchise). The Franchise is for a term of 25 years.

As at March 27, 2025, FGHC, through its subsidiary FG Pipeline, has an ECC for the Batangas to Manila pipeline project and has undertaken substantial pre-engineering works and design and commenced preparatory works for the right-of-way acquisition activities, among others.

i. MOA between FG Hydro and Protected Area Management Board (MOA with PAMB)

PSALM entered into a MOA with PAMB on July 17, 2006. Under the MOA, PAMB granted FG Hydro the right to use the Masiway land, where the MAHEP power plant is situated in consideration for an annual user's fee. The MOA shall be effective for 25 years and renewable for a similar period subject to terms and conditions as may be mutually agreed upon by both parties.

By virtue of R.A. 7586 or the National Integrated Protected Areas System (NIPAS) Act of 1992 and as amended by R.A. 11038 or the Expanded NIPAS Act of 2018, the DENR issued its implementing rules and regulations (IRR) under DENR Administrative Order 2019-05 dated May 30, 2019. The said IRR details the mandate for any existing agreements for a protected area, including the MOA for the Masiway land, to be converted to a Special Use Agreement in Protected Areas (SAPA). As at March 27, 2025, FG Hydro is coordinating with its local PAMB for the transition of its existing MOA to the prescribed SAPA.

j. SAPA with the DENR Biodiversity Management Bureau (DENR-BMB)

Pursuant to R.A. No. 7586 or the NIPAS Act of 1992, as amended by R.A. No. 11038 or the Expanded NIPAS 2018, and its IRR [DENR Administrative Order No. 2019-05], DENR Administrative Order Mo. 2018-05, and DENR Administrative Order No. 2007-17, the DENR-BMB awarded the SAPA to FG Hydro for its 120 MW Aya Pumped Storage Power Project located at Pantabangan, Nueva Ecija.

The SAPA allows FG Hydro to develop and utilize the leased area of 364,121 square meters within the Pantabangan-Carranglan Watershed Forest Reserve with an effective tenure of 25 years, or until November 2047, and renewable for a similar term as agreed upon by both parties.

Upon issuance of the SAPA, FG Hydro paid the development fee amounting to ₱69 million on January 24, 2023. Furthermore, FG Hydro is also subjected to an annual fee as stipulated in the SAPA.

k. Real Estate Construction Agreements

Rockwell Land entered into contracts covering land acquisitions, construction works related to various projects with related parties and different contractors and suppliers. As at December 31, 2024 and 2023, the contract sum awarded amounted to ₱17.4 billion and ₱16.7 billion, respectively, inclusive of all pertinent local and national taxes, overhead and cost of labor and materials and all cost necessary for the proper execution of works. Land acquisitions are consummated following the terms of the contracts. As at December 31, 2024 and 2023, ₱16 billion and ₱14 billion, respectively, has been incurred.

l. Lease Commitments

Rockwell Business Center (RBC)
In June and December 2015, FPH and certain subsidiaries each executed a non-cancelable lease agreement with Rockwell Land on its new office space at RBC Tower 3. The term of the lease is for a period of 4.5-5 years ending on June 30, 2020 and has an option to extend the lease term for an additional 5 years at mutually acceptable terms and conditions. In June 2020, the lease agreement was renewed and the term was extended for an additional 5 years until June 30, 2025. The lease agreement is subject to an annual escalation rate of 5%.

FGPC, FGP and FG Bukidnon
On July 3, 2023, FGPC's miscellaneous (foreshore) lease agreement with the DENR (hereinafter, the "Foreshore Lease Contract") for the lease of a public land in Sta. Rita, Batangas where the power plant complex is located was renewed for another 25 years for a yearly rental of ₱72 million. The sublease term is for a period of 25 years or until July 3, 2048 or upon termination of the miscellaneous (foreshore) lease contract.

FGP and FGPC entered into a Sublease Agreement to sublease and use the parcel of land located in Sta. Rita, Batangas ("Leased Property") which is covered by a Foreshore Lease contract executed by and between FGPC and the DENR on July 3, 2023. Under the Sublease Agreement, FGPC subleases, sublets and grants FGP the right to use the Leased Property in connection with and as may be necessary for the construction, operation and maintenance of the San Lorenzo plant on a non-exclusive basis. Such Sublease Agreement was approved by the DENR on February 6, 2024 in accordance with the Seventh Paragraph of the Foreshore Lease Contract. The sublease term is for a period of 23 years or until July 3, 2048 or upon termination of the Foreshore Lease Contract. The term may be extended upon mutual agreement between the parties subject to an extension of the term of the Foreshore Lease Contract for an equivalent or greater period. FGP agrees to pay FGPC a yearly rental of ₱4.5 million, subject to an equitable increase pursuant to the Foreshore Lease contract.

FGPC and FNPC entered into a Sublease Agreement to sublease and use the parcel of land located in Sta. Rita, Batangas ("Leased Property") which is covered by a Foreshore Lease Contract executed by and between FGPC and DENR on July 3, 2023. The subleased area is where the intake-outfall pipeline systems of FNPC are located. The DENR approved the Sublease between FNPC and FGPC on February 6, 2024. FNPC agrees to pay FGPC a yearly rental of ₱8.6 million, subject to an equitable increase pursuant to the miscellaneous foreshore lease contract.

FGPC, FGHC, FG Land and PMPC
These companies have each entered into a Lease Agreement with FGEN LNG executed on September 8, 2021 to lease and use a parcel of land in Sta. Rita, Batangas ("Leased Area") which shall be used for the construction, operation and maintenance of the Multi-Purpose Jetty and Gas Receiving Facility and for other uses incidental or ancillary thereto. The lease shall commence on the execution date and valid for 25 years for the Permanent Leased Area and 12 months for the Temporary Leased Area.

FGEN LNG shall pay FGPC, FGHC, FG Land and PMPC a rental payment of ₱205 per square meter per year for the Permanent Leased Area and ₱17.08 per square meter per month for the Temporary Leased Area, subject to automatic annual escalation at the rate of five percent (5%) beginning on the second year.

Effective September 9, 2022, FGPC, FGHC, FGLand and PMPC each entered into an amendment to the Lease Agreement (Amendment No. 1) with FGEN LNG to extend the lease of the Temporary Leased Area for another 12 months with a rental payment of ₱17.93 per square meter per month. The lease agreement for the Temporary Leased Area was not renewed after the 12-month extension period (see Note 19).

FGEN LNG Charter Hires

FSRU Time Charter Party (FSRU TCP)
On April 3, 2021, FGEN LNG executed a five-year FSRU TCP with BW FSRU IV Pte. Ltd. (BW FSRU), a wholly owned subsidiary of BW Gas Limited, for the charter of BW Batangas (previously named BW Paris) that will serve as the Floating Storage and Regasification Unit (FSRU) for the IOT Project. On March 17, 2023, BW FSRU novated all its rights and obligations under the FSRU TCP to BW Batangas Inc. (BW Batangas), a Philippine-registered company. After the performance of the completion tests, the parties agreed that December 10, 2023 is the Acceptance Date under the FSRU TCP.

Under the FSRU TCP, FGEN LNG shall pay BW Batangas the daily hire fee as well as other reimbursable costs (including the one-time costs upon the arrival of the FSRU). The cost of the daily hire under the FSRU TCP, from the Acceptance Date until the end of term, was set-up as right-of-use assets and lease liabilities. The one-time costs upon the arrival of the FSRU was also recognized as part of the right-of-use assets. As of December 31, 2024 and 2023, lease liabilities amounting to ₱6,993 million and ₱8,250 million, respectively, were recognized in the consolidated statement of financial position (see Notes 15 and 19).

Tugs TCP
On June 2, 2021, FGEN LNG executed a 10-year Tugs TCP with Svitzer Bahrain W.L.L (Svitzer), a wholly owned subsidiary of the A.P. Moller-Maersk Group, for the charter of four tugs for the provision of towage and other vessel support services to FGEN LNG's terminal. On July 13, 2022, Svitzer novated all its rights and obligations under the Tugs TCP to BBTI, a Philippine-registered company. An Amended and Restated Tugs TCP was also signed on July 13, 2022 between FGEN LNG and BBTI. After the completion of the acceptance tests, the Service Commencement date of July 7, 2023 was agreed by the parties.

Under the Tugs TCP, FGEN LNG shall pay BBTI the daily hire fee as well as other reimbursable costs. The cost of the daily hire under the Tugs TCP, from the Service Commencement date until the end of term, was set-up as right-of use assets and lease liabilities. As at December 31, 2024 and 2023, lease liabilities amounting to ₱2,811 million and ₱3,007 million, respectively, were recognized in the consolidated statement of financial position (see Notes 15 and 19).

EDC Rig Rental with Thermaprime

EDC entered into the following lease agreements for rig rental with Thermaprime:

Contract Date	Terms	Period Covered
January 1, 2024	5 years	January 1, 2024 to December 31, 2028
March 2, 2024	5 years	March 2, 2024 to March 1, 2029
April 19, 2024	5 years*	April 19, 2024, 2024 to April 18, 2029
June 19, 2024	5 years*	June 19, 2024, 2024 to June 18, 2029
November 20, 2024	5 years*	November 20, 2024 to November 19, 2029

** With option to extend the lease agreement to another 5 years*

EDC
EDC's lease commitments pertain mainly to office space and warehouse rentals.

The following are the amounts recognized in the Group's consolidated statement of income:

	2024	2023
	(In Millions)	
Depreciation expense of right-of-use assets (Note 23)	**₱2,365**	₱597
Interest expense on lease liabilities (Note 19)	**659**	207
Expenses relating to short-term leases (included in general and administrative expenses)	**88**	88
Total amount recognized in the consolidated statement of income	**₱3,112**	₱892

As at December 31, 2024 and 2023, the Group's future minimum rental payments under the non- cancelable operating leases are as follows:

	2024	2023
	(In Millions)	
Within one year	**₱2,973**	₱2,616
After one year but not more than five years	**8,112**	9,550
After five years	**7,465**	5,041
	₱18,550	₱17,207

32. **Contingencies**

a. Tax Contingencies

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at December 31, 2024 and 2023, management has developed an estimate of the probable cash outflow to settle these assessments and has recognized provision for these liabilities.

As allowed by PAS 37, no further disclosures were provided as this might prejudice the Group's position on this matter.

b. Writ of Kalikasan

On November 19, 2010, the SC issued a *Writ of Kalikasan* with Temporary Environmental Protection Order resulting from a petition filed by the West Tower Condominium Corporation, et al., against respondents FPIC, First Gen, their respective BODs and officers and John Does and Richard Roes. The petition was filed in connection with the oil leak at the basement of the West Tower Condominium which is being attributed to a portion of FPIC's pipeline located in Bangkal, Makati City.

FPIC filed an application for DOE's issuance of the required certification, and on October 25, 2013 the DOE issued a certification that the white oil pipeline is safe to return to commercial operations. FPIC submitted the DOE certification to the SC on October 29, 2013. On June 16, 2015, the SC issued another resolution recognizing the powers of the DOE to oversee the operation of the pipelines. The resolution also stated that the DOE is fully authorized by law to issue an order for the return to commercial operations of the pipeline following the conduct of integrity tests. Petitioners have filed several motions for the SC to reconsider this resolution.

As at March 27, 2025, the final resolution of the Writ remains pending with the SC.

c. Complaints filed by West Tower Condominium Corporation and Unit Owners and Residents

West Tower Condominium Corporation and a number of unit owners and residents of West Tower have filed a civil case for damage suits against FPIC, its directors and officers, First Gen, Pilipinas Shell Petroleum Corporation and Chevron Philippines, Inc. for a total approximate amount of ₱2.5 billion representing actual, moral, exemplary damages, medical fund and lawyers' fees. In a resolution dated June 30, 2014, the CA denied the petition of the West Tower and affirmed the trial court's recognition of the case as being an ordinary action for damages. The CA, however, also ruled that the individual residents who joined West Tower in the civil case need not file separate cases, but instead can be joined as parties in the present case. West Tower and FPIC each filed a motion for partial reconsideration, with West Tower arguing that the case is an ordinary action for damages, and FPIC assailing the ruling that the individual residents can be joined as parties in the present case. Both motions were denied in a CA resolution dated December 11, 2014. On February 20, 2015, FPIC filed before the SC a Petition for Review of the CA's denial of its Motion for Partial Reconsideration.

A criminal complaint for negligence under Article 365 of the Revised Penal Code was filed against FPIC directors and some of its officers, as well as directors of First Gen, Pilipinas Shell Petroleum Corporation and Chevron Philippines, Inc. On January 22, 2018, the consolidated criminal cases were called for a continuation of preliminary investigation before Assistant Senior City Prosecutor (ASCP) and the parties were ordered to submit their respective memorandum of the case, and after which the pending matters will be submitted for resolution.

On February 22, 2018, the ASCP ruled to dismiss the criminal case for lack of probable cause. The prosecutor held that considering that the respondent-directors and officers of FPIC, First Gen, Shell and Chevron were not personally, directly or in supervisory capacity assigned to perform acts of operation, maintenance and control over the pipeline, they cannot be held criminally liable for negligence under Article 365 of the Revised Penal Code.

On January 7, 2019, FPIC secured a certificate from the Department of Justice that no appeal or petition for review of the February 22, 2018 resolution has been filed. As at March 27, 2025, the case remains pending.

d. Legal claims

The Group is contingently liable for other lawsuits or claims filed by third parties, including labor related cases, which are pending decision by the courts, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual total liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements.

e. First Philec and its Subsidiaries

In 2012, First PV and FPNC initiated arbitration proceedings against Nexolon with the International Court of Arbitration of the ICC. The arbitral tribunal rendered the final award in October 2014 which required Nexolon to pay damages and pre-award interest to FPNC in the amount of ₱1.1 billion ($24.8 million) and a put option price to First PV in the amount of ₱2.09 billion. As at March 27, 2025, no payments have been made on the award by Nexolon which is reported to be in rehabilitation proceedings. FPNC and First PV have filed their appropriate claims in Korean rehabilitation courts.

The claims have not been recognized in the First Philec entities' financial statements pursuant to PAS 37 which requires the recognition of contingent assets only when the realization of income is virtually certain.

33. Other Matters

First Gen

Proposed Amendments to the Electric Power Industry Reform Act (EPIRA)

Below are the proposed amendments to the EPIRA that, if enacted, may have a material effect on the First Gen Group's electricity generation business, financial condition and results of operations.

In the Philippine Congress, pending for committee approval as of December 31, 2024 are the following:

1. SBN-2348: Amending R.A. No. 9136 (The Electric Power Industry Reform Act of 2001)
2. SBN-2304: Energy Advocacy Counsel Act
3. SBN-1612: Amending R.A. No. 9136 (Electric Power Industry Reform Act of 2001)
4. SBN-486: Amending Sec. 43(T) of R.A. No. 9136 (Electric Power Industry Reform Act of 2001)
5. SBN-217: Removing the Public Offering Requirement of Generation Companies
6. SBN-487: An Act Enhancing the Governance Structure of the Energy Regulatory Commission
7. SBN-2217: Removal Of Public Offering Requirement Of Generation Companies
8. SBN-2154: Joint Congressional Energy Commission (JCEC) Extension Act
9. SBN-1877 & SBN-1583: Extension Of Lifeline Rate
10. HB03430: An Act Amending Section 45 of R.A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001 or EPIRA", and For Other Purposes

11. HB03432: An Act Amending Section 31 of R.A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001 or EPIRA", and For Other Purposes
12. HB04263: An Act Amending Section 28 of R.A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001 or EPIRA"
13. HB08151: An Act Amending Section 23 of R.A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001 or EPIRA", and For Other Purposes
14. HR00312: A Resolution Directing The Committee on Energy To Conduct An Inquiry In Aid of Legislation on the Energy Regulatory Commission's (ERC) Rate Setting Functions In Accordance With The Mandate Prescribed Under Republic Act 9136 or Electric Power Industry Reform Act (EPIRA), And Recommend Measures To Ensure Fair Returns To Power Industry Players At The Lowest Possible Retail Rates To Electricity Consumers; And Other Such Matters That Impair The Ability Of The ERC To Discharge Its Regulatory Mandate In Accordance With EPIRA

As at March 27, 2025, the aforementioned bills are currently being deliberated in the committees.

PHILIPPINE NATURAL GAS INDUSTRY DEVELOPMENT ACT OF 2025 (PNGID ACT)

On January 8, 2025, R.A. No. 12120, "An Act Promoting the Development of the Philippine Natural Gas Industry, Consolidating For the Purpose All Laws Relating to the Transmission, Distribution, and Supply of Natural Gas and Appropriating Funds Therefor" otherwise known as the "Philippine Natural Gas Industry Development Act of 2025" or the "PNGID Act", was enacted in and became effective on January 29, 2025, fifteen (15) days after ifs publication in the Official Gazette on January 14, 2025. Pursuant to Section 49 of R.A. No. 12120, the DOE shall promulgate the rules and regulations for the effective implementation of the said Act within six (6) months after its effectivity. As at March 27, 2025, the DOE has yet to issue the implementing rules and regulations and was still conducting public consultations with various stakeholders.

The PNGID Act aims to, among others, promote natural gas as a safe, efficient, and cost-effective energy source and an indispensable contributor to energy security by establishing the Philippine Downstream Natural Gas Industry (PDNGI) for the benefit of the nation's population and all sectors of the economy, develop natural gas as a reliable fuel for power plants, while transitioning to renewable energy, develop the Philippines as an LNG trading and transshipment hub within the Asia-Pacific Region; promote the conversion of existing fossil fuel-operated equipment and facilities to natural gas use, hasten the exploration and development of local natural gas resources, and facilitate the development of power and non-power end-uses of natural gas which include commercial, industrial, residential, and transport applications that promote fuel diversity.

The PNGID Act also provides for the possible inclusion in and entitlement to incentives of all PDNGI Facilities, as certified by the DOE, under the Strategic Investment Priority Plan (SIPP), subject to the incentives provided under Title XIII (Tax Incentives) of the National Internal Revenue Code of 1997 (NIRC), as amended by R.A. No. 11534, otherwise known as the CREATE Act, and any amendments thereto. Moreover, the purchase and sale of indigenous natural gas, aggregated gas, and power generated by generation facilities using indigenous natural gas and aggregated gas shall be exempt from VAT, provided, that the exemption from VAT for aggregated gas is only to the extent of the amount of indigenous natural gas attributed to be in the aggregated gas.

The Group cannot provide any assurance whether these proposed amendments will be enacted in their current form, or at all, or when any amendment to the EPIRA will be enacted. Proposed amendments to the EPIRA, including the above bills, as well as other legislation or regulation could have a material impact on the Group's business, financial position and financial performance.

34. Events after the Financial Reporting Period

FPH
On March 24, 2025, FPH signed a 10-year term loan agreement with BDO for a total amount of ₱10,000 million. The term loan has an availability period of 1 year and will be used to fund general corporate and other working capital requirements.

First Gen
On February 10, 2025, First Gen issued 28,000,000 Series “H” redeemable preferred stocks with a par value of ₱10.0 per share to FG Hydro, with a total subscription price of ₱2,800 million, inclusive of additional paid-in capital amounting to ₱2,520 million.

On February 17, 2025, First Gen subsequently prepaid ₱6,000 million out of its outstanding ₱20,000 million term loan with BPI and BDO which was used to partially finance the acquisition of the Casecnan plant.

EDC
On January 21, 2025, EDC has drawn ₱2,000.0 million from its term loan facility with BDO.

On January 23, 2025, the BOD of EDC approved the declaration of special cash dividends to its common and preferred stockholders amounting to ₱4,200 million or ₱246,651.43 per share and ₱156 million or ₱16,650.67 per share, respectively, in favor of holders of record as of February 3, 2025 and payment date on or before February 28, 2025.

On February 10, 2025, FG Hydro entered into subscription agreement to subscribe to 42,000,000 non-voting preferred stocks of EDC with a par value of ₱10.0 per share for up to ₱4,200 million, inclusive of additional paid-in capital.

On February 26, 2025, EDC has drawn ₱2,000 million from its term loan facility with CBC. EDC and EBWPC entered into various call spread, cross currency swaps (CCS), and IRS contracts to hedge its U.S. dollar-denominated long-term debts. Pertinent details are as follows:

Trade Date		Notional amount	
January 2, 2025	Call Spread	$5.0 million	CTBC $50.0 million
January 3, 2025	Call Spread	5.0 million	CTBC $50.0 million
January 6, 2025	Call Spread	10.0 million	Mizuho $50.0 million
February 14, 2025	Call Spread	10.0 million	CTBC $50.0 million
February 14, 2025	Call Spread	10.0 million	CTBC $50.0 million
February 14, 2025	Call Spread	10.0 million	CTBC $50.0 million
February 26, 2025	CCS	10.0 million	Mizuho $50.0 million
February 26, 2025	CCS	10.0 million	Mizuho $50.0 million
February 26, 2025	IRS	10.0 million	CTBC $50.0 million
February 27, 2025	IRS	10.0 million	CTBC $50.0 million
February 28, 2025	IRS	10.0 million	CTBC $50.0 million
March 4, 2025	IRS	10.0 million	CTBC $50.0 million
March 4, 2025	CCS	10.0 million	Mizuho $50.0 million
March 4, 2025	IRS	10.0 million	Mizuho $80.0 million

FGen SG
On January 10, 2025, First Gen signed a Guarantee Agreement with Sumitomo Mitsui Banking Corporation (SMBC) as a guarantor pursuant to the Supplemental Facility Letter (the “SMBC Letter”) signed by FGen SG and SMBC last December 2, 2024. Under the SMBC Letter, SMBC is giving credit or affording bank facilities of up to $150.0 million to FGen SG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGen SG to pay SMBC all sums of money which are or at any time during the term of the guarantee be owing to SMBC by FGen SG pursuant to the SMBC Letter.

FGEN LNG
On February 5, 2025, the Philippine SEC approved the amended articles of incorporation of FGEN LNG and subsequently issued the shares of stock to Tokyo Gas on February 19, 2025 for its corresponding 20% stake in FGEN LNG. Consequently, FGEN LNG is no longer a wholly owned subsidiary of First Gen.

FG Hydro
On February 6, 2025, FG Hydro fully availed of the ₱7,000 million term loan with BPI, BDO and RCBC which was used to fund general corporate requirements.

<u>*FGP*</u>
On March 14, 2025, FGP availed a $16.0 million short term loan with BDO which was used to pay the LNG importation last February 2025.

<u>*Rockwell Land*</u>
On January 25, 2025, Rockwell Land's BOD approved the appropriation of retained earnings amounting to ₱15 billion (after reversal of ₱14 billion appropriation) out of the total retained earnings as of December 31, 2024 to partially fund capital expenditures of Rockwell Land from 2024 to 2025.

35. Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

  The amendments are not expected to have any impact on Group's consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

The amendments are not expected to have any material impact on Group's consolidated financial statements.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*
  The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

- Amendments to PFRS 9
  - *Lessee Derecognition of Lease Liabilities*
    The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  - *Transaction Price*
    The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

- Amendments to PAS 7, *Cost Method*
  The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments clarify the application of 'own-use' requirements for in-scope contracts that reference nature-dependent electricity and expose an entity to variability in an underlying amount of electricity. With respect to hedge accounting requirements, the amendments now allow an entity to designate a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier adoption is permitted and that fact must be disclosed.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. On February 14, 2025, the FSRSC further amended the mandatory effective date of PFRS 17 from January 1, 2025 to January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission which deferred the implementation of PFRS 17 to January 1, 2027.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

  The amendments are not expected to have any impact on Group's consolidated financial statements.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

  The amendments are not expected to have any material impact on Group's consolidated financial statements.

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*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The amendments are not expected to have any impact on Group's consolidated financial statements.

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Farley Cuizon <facuizon@fphc.com>

SEC eFast Initial Acceptance

1 message

noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph> Fri, Apr 11, 2025 at 2:50 PM

Greetings!

SEC Registration No: 0000019073
Company Name: FIRST PHIL. HOLDINGS CORP.
Document Code: AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER: TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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A Lopez Group Company

6th Floor, Rockwell Business Center Tower 3,
Ortigas Avenue, Pasig City 1604 Philippines

+632 8555 8000
www.fphc.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of First Philippine Holdings Corporation (the Company) is responsible for the preparation and fair presentation of the parent financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent 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 parent 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 parent 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.

FEDERICO R. LOPEZ	**FRANCIS GILES B. PUNO**	**EMMANUEL ANTONIO P. SINGSON**
Chairman of the Board and Chief Executive Officer	President and Chief Operating Officer	Executive Vice President, Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 08 day of APR 2025 2025, affiants exhibited to me their Competent Evidence of Identity (CEI) and Community Tax Certificate (CTC) Nos. as follows:

Name	*Details of CEI/CTC*	*Issued On/Issued At*
Federico R. Lopez	DL#N17-80-012544/11152824	01-17-2025/Pasig City
Francis Giles B. Puno	CRN-0111-2221118-7/11168449	02-06-2025/Pasig City
Emmanuel Antonio P. Singson	CRN-0003-8856459-8/11153815	01-28-2025/Pasig City

Doc. No. 197;
Page No. 41;
Book No. IV;
Series of 2025.

MENDY ROZZA A. PLANILLO
NOTARY PUBLIC
FOR AND IN THE CITY OF PASIG
AND IN THE MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2025
PTR NO. 3[illegible]; 01/03/2025; PASIG CITY
IBP NO. 51[illegible]; 01/03/2025; RIZAL (RSM)
ROLL NO. 8[illegible]/APPOINTMENT NO. 12[illegible] (2024-2025)
[illegible] F Robinsons-Equitable Tower, 4 ADB Ave. cor. Poveda St.
1605 Ortigas Center, Pasig City

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Miles Resullar <msresullar@firstgen.com.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Fri, Apr 11, 2025 at 10:30 AM
To: MSRESULLAR@firstgen.com.ph
Cc: CZUBANA.FPH@fphc.com

Hi FIRST PHILIPPINE HOLDINGS CORPORATION,

Valid files

- EAFS000288698OTHTY122024.pdf
- EAFS000288698TCRTY122024-01.pdf
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Transaction Code: **AFS-0-EEA5KBH0M2ZTV223MPSRW21S03MM2XZWP**
Submission Date/Time: **Apr 11, 2025 10:30 AM**
Company TIN: **000-288-698**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 9 0 7 3

COMPANY NAME

FIRST PHILIPPINE HOLDINGS CORPORATION

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

6TH FLOOR, ROCKWELL BUSINESS CENTER TOWER 3, ORTIGAS AVENUE, PASIG CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
InvRel@fphc.com	(02) 8631-8024	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11,854	May 29	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Carmina Z. Ubaña	CZUbana@fphc.com	(02) 3449-6253	09173279054

CONTACT PERSON's ADDRESS

6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig 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.*

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
First Philippine Holdings Corporation
6th Floor, Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of First Philippine Holdings Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended 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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company 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.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 Parent Company to cease to continue as a going concern.

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

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 27 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of First Philippine Holdings Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Maria Veronica Andresa R. Pore.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465361, January 2, 2025, Makati City

March 27, 2025

FIRST PHILIPPINE HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 22 and 23)	**₱3,223**	₱2,266
Receivables (Notes 5, 6, 7, 20, 22 and 23)	**263**	257
Other current assets	**34**	98
Total Current Assets	**3,520**	2,621
Noncurrent Assets		
Investments in and deposits to subsidiaries and associates (Note 6)	**49,446**	48,324
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 7, 22 and 23)	**23,910**	21,047
Property and equipment (Note 8)	**75**	63
Investment properties (Notes 9 and 23)	**36**	51
Other noncurrent assets (Notes 10 and 21)	**875**	862
Total Noncurrent Assets	**74,342**	70,347
TOTAL ASSETS	**₱77,862**	₱72,968
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 11, 13, 14, 20, 22, and 23)	**₱1,789**	₱1,843
Current portion of:		
Long-term debt (Notes 12, 22 and 23)	**1,773**	1,470
Lease liabilities (Note 21)	**1**	16
Total Current Liabilities	**3,563**	3,329
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 12, 22 and 23)	**8,592**	9,634
Retirement and other employee benefits liability (Note 17)	**738**	674
Lease liabilities - net of current portion (Note 21)	**–**	2
Total Noncurrent Liabilities	**9,330**	10,310
Total Liabilities	**12,893**	13,639
Equity		
Common stock (Note 13)	**6,096**	6,096
Capital in excess of par value (Note 13)	**3,989**	3,989
Accumulated unrealized gains on financial assets at FVOCI (Note 7)	**12,906**	10,043
Treasury stock (Note 13)	**(9,754)**	(9,700)
Retained earnings (Note 13):		
Appropriated	**32,700**	32,700
Unappropriated	**19,032**	16,201
Total Equity	**64,969**	59,329
TOTAL LIABILITIES AND EQUITY	**₱77,862**	₱72,968

See accompanying Notes to Parent Company Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF INCOME

(Amounts in Millions except Earnings per Share)

	Years Ended December 31	
	2024	2023
REVENUE		
Dividend income (Notes 6 and 7)	**₱4,808**	₱4,554
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	**990**	1,093
OTHER INCOME (EXPENSES)		
Finance costs (Notes 12 and 21)	**(637)**	(592)
Finance income (Note 4)	**85**	121
Others - net (Notes 9, 18 and 20)	**576**	534
	24	63
INCOME BEFORE INCOME TAX	**3,842**	3,524
PROVISION FOR CURRENT INCOME TAX (Note 19)	**11**	8
NET INCOME	**₱3,831**	₱3,516
Basic/Diluted Earnings per Share (Note 14)	**₱8.268**	₱7.519

See accompanying Notes to Parent Company Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Millions)

	Years Ended December 31	
	2024	2023
NET INCOME	**₱3,831**	₱3,516
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Unrealized fair value gains on financial assets at FVOCI (Note 7)	**2,863**	5,438
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Re-measurement of retirement liabilities (Note 17)	**19**	(1,764)
	2,882	3,674
TOTAL COMPREHENSIVE INCOME	**₱6,713**	₱7,190

See accompanying Notes to Parent Company Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Amounts in Millions, except per share data)

	Common Stock (Note 13)	**Capital in Excess of Par Value** (Note 13)	**Accumulated Unrealized Gain on Financial Assets at FVOCI** (Note 7)	**Treasury Stock** (Note 13)	**Retained Earnings** (Note 13)		**Total**
					Appropriated	**Unappropriated**	
Balances at January 1, 2024	**₱6,096**	**₱3,989**	**₱10,043**	**(₱9,700)**	**₱32,700**	**₱16,201**	**₱59,329**
Net income	**–**	**–**	**–**	**–**	**–**	**3,831**	**3,831**
Other comprehensive income	**–**	**–**	**2,863**	**–**	**–**	**19**	**2,882**
Buyback of common stocks	**–**	**–**	**–**	**(54)**	**–**	**–**	**(54)**
Cash dividends - Common (₱2.20 per share)	**–**	**–**	**–**	**–**	**–**	**(1,019)**	**(1,019)**
Balances at December 31, 2024	**₱6,096**	**₱3,989**	**₱12,906**	**(₱9,754)**	**₱32,700**	**₱19,032**	**₱64,969**
Balance at January 1, 2023	₱6,096	₱3,989	₱4,605	(₱9,155)	₱28,700	₱19,475	₱53,710
Net income	–	–	–	–	–	3,516	3,516
Other comprehensive income (loss)	–	–	5,438	–	–	(1,764)	3,674
Buyback of common stocks	–	–	–	(545)	–	–	(545)
Cash dividends - Common (₱2.20 per share)	–	–	–	–	–	(1,026)	(1,026)
Increase in retained earnings appropriation	–	–	–	–	4,000	(4,000)	–
Balances at December 31, 2023	₱6,096	₱3,989	₱10,043	(₱9,700)	₱32,700	₱16,201	₱59,329

See accompanying Notes to Parent Company Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

(Amounts in Millions)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,842**	₱3,524
Adjustments for:		
Dividend income (Notes 6 and 7)	**(4,808)**	(4,554)
Finance costs (Notes 12, 21 and 22)	**637**	592
Finance income (Note 4)	**(85)**	(121)
Movement in retirement and other employee benefits liability (Note 17)	**64**	(75)
Depreciation and amortization (Notes 8, 9, 15 and 21)	**54**	44
Operating loss before working capital changes	**(296)**	(590)
Decrease (increase) in:		
Receivables	**(4)**	38
Other current assets	**64**	(20)
Increase (decrease) in accounts payable and other current liabilities	**(68)**	339
Net cash used in operations	**(304)**	(233)
Interest received	**85**	121
Net cash used in operating activities	**(219)**	(112)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received (Notes 5, 6 and 7)	**4,808**	5,578
Additions to:		
Investments in and deposits to subsidiaries and associates (Note 6)	**(1,122)**	(1,736)
Property and equipment (Note 8)	**(32)**	(48)
Decrease (increase) in other noncurrent assets	**(44)**	79
Proceeds from:		
Disposal of property and equipment (Note 8)	**1**	–
Redemption of investments in and deposits to subsidiaries and associates (Note 6)	**–**	245
Contribution to the retirement fund (Note 17)	**–**	(3,150)
Net cash flows from investing activities	**3,611**	968
CASH FLOWS FROM FINANCING ACTIVITIES (Note 24)		
Proceeds from availment of loans (Note 12)	**736**	2,000
Payments of:		
Long-term debt (Note 12)	**(1,472)**	(1,250)
Dividends (Notes 11, 13 and 14)	**(991)**	(1,001)
Interest (Note 12)	**(637)**	(585)
Lease liabilities (Note 21)	**(17)**	(17)
Buyback of common stock (Note 13)	**(54)**	(545)
Net cash flows used in financing activities	**(2,435)**	(1,398)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**957**	(542)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,266**	2,808
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱3,223**	₱2,266

See accompanying Notes to Parent Company Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

First Philippine Holdings Corporation (the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on June 30, 1961. The Parent Company's principal activity is to hold investments in subsidiaries and associates. The subsidiaries and associates of the Parent Company are engaged primarily in, but not limited to, power generation, real estate development, energy solutions, manufacturing, and construction and other services.

The Parent Company is 55.66% and 55.55% owned by Lopez Holdings Corporation (Lopez Holdings), a publicly-listed Philippine-based entity as at December 31, 2024 and 2023, respectively. Majority of Lopez Holdings is owned by Lopez, Inc., a Philippine entity and the ultimate parent company.

The common stocks of the Parent Company were listed on May 3, 1963 and have since been traded on the Philippine Stock Exchange, Inc. (PSE). The Parent Company is considered a public company under Section 17.2 of the Securities Regulation Code.

The registered office address of the Parent Company is 6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City.

The parent company financial statements as at and for the years ended December 31, 2024 and 2023 were reviewed and recommended for approval by the Audit Committee on March 21, 2025. The Board of Directors (BOD) approved and authorized the issuance of the parent company financial statements on March 27, 2025.

2. Summary of Material Accounting Policies

Basis of Preparation

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the Philippine SEC.

The parent company financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value. The parent company financial statements are presented in Philippine peso and all values are rounded to the nearest million, except when otherwise indicated.

The Parent Company also prepares and issues consolidated financial statements in compliance with PFRS Accounting Standards and for the same period as the parent company financial statements. These are filed with and may be obtained from the Philippine SEC and PSE.

Material Accounting and Financial Reporting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to existing standards effective in 2024.

Adoption of these amendments did not have an impact on the parent company financial statements.

- 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*, Disclosures: 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.

<u>Current Versus Noncurrent Classification</u>
The Parent Company presents assets and liabilities in the parent company statement of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the financial reporting date; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting date.

All other assets are classified as noncurrent.

A liability is classified as current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting date.

The Parent Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities and net retirement assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash, with remaining maturities of three months or less and that are subject to an insignificant risk of change in value.

Financial Instruments
Initial Recognition and Subsequent Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. *Financial Assets*

Initial recognition and measurement. Financial assets are classified as financial assets measured at amortized cost, fair value through profit or loss (FVPL) and FVOCI.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company 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 Parent Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*. In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cashflows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Parent Company'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.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Parent Company commits to purchase or sell the asset.

The Parent Company has no financial assets at FVOCI with recycling of cumulative gains or losses (debt instruments) as at December 31, 2024 and 2023.

Subsequent Measurement. The subsequent measurement of financial assets depends on their classification as described below:

- *Financial assets at Amortized Cost.* This category is the most relevant to the Parent Company. Financial assets at amortized cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in parent company statement of income when the asset is derecognized, modified or impaired.

This category includes the Parent Company's cash and cash equivalents and receivables.

- *Financial Assets at FVPL.* Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are accounted for as financial assets at FVPL unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVPL are carried in the parent company statement of financial position at fair value with net changes in fair value recognized in the parent company statement of income. Gains or losses on investments held for trading are recognized in the parent company statement of income as part of "Mark-to-market gain or loss".

  This category includes unquoted equity instruments which the Parent Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognized as part of "Dividend income" account in the parent company statement of income when the right of payment has been established.

- *Financial Assets designated at FVOCI (equity instruments).* Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Gains and losses on these financial assets are never recycled to the parent company statement of income. Dividends are recognized as part of "Dividend income" account in the parent company statement of income when the right of payment has been established, except when the Parent Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

  The Parent Company elected to classify irrevocably its non-listed equity investments under this category. This category includes the Parent Company's quoted and unquoted equity securities and proprietary shares.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Parent Company's continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred assets is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

Impairment of Financial Assets. The Parent Company applies the expected credit loss (ECL) model on the impairment for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cashflows that the Parent Company expects to receive, discounted at an approximation of the original EIR. 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.

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

The Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Parent Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Parent Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Determining the stage for impairment. At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of a default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Staging assessment. PFRS 9 establishes a three-stage approach for impairment of financial assets, based on whether there has been a significant increase in credit risk of a financial asset. Three stages then determine the amount of impairment to be recognized.

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of default occurring on the financial instrument as at the reporting date, with the risk of default occurring on the financial instrument at the date of initial recognition.

- Stage 2 is comprised of all nonfinancial instruments which have experienced a significant increase in credit risk since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12-month ECL.

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

b. *Financial Liabilities*

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

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

The Parent Company's financial liabilities include accounts payable and other current liabilities (excluding statutory taxes and subscription payable), lease liabilities and long-term debts.

Subsequent measurement. The measurement of financial liabilities depends on their classification as described below.

- *Financial liabilities at FVPL.* Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVPL.

  Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Parent Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Parent Company has not designated any financial liability at FVPL.

Financial liabilities at amortized cost (loans and borrowings). This is the category most relevant to the Parent Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well through the EIR amortization process.

This category generally applies to interest-bearing loans and borrowings.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. 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. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the parent company statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair Value Measurement

The Parent Company measures certain financial instruments at fair value at each financial reporting date. Also, the Parent Company discloses the fair values of investment properties and financial liabilities measured at amortized cost.

Fair value is the estimated 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 market or the most advantageous market must be accessible to the Parent Company.

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. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company 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 parent company 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) 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 parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting date.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Investments in and Deposits to Subsidiaries and Associates

The Parent Company's investments in and deposits to subsidiaries (entities which the Parent Company controls) and associates (entities which the Parent Company has significant influence and are neither subsidiaries nor joint ventures) are carried in the parent company statement of financial position at cost less any accumulated impairment in value.

Deposits for future stock subscriptions represent non-refundable advances made by the Parent Company to its subsidiaries and associates for future additional investment and intends to be settled by the exchange of a fixed number of the subsidiaries' and associates' equity instruments.

An assessment of the carrying value of the investments in and deposits to subsidiaries and associates is performed when there is an indication that the investments and deposits are impaired.

Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depreciation and amortization, and any accumulated impairment in value. Land is carried at cost less any accumulated impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing part of such property and equipment if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally recognized in the parent company statement of income in the period 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 additional costs of the asset.

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

Categories	Number of Years
Buildings and leasehold improvements	5 to 20
Transportation equipment	5
Furniture and equipment	5

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

The asset's residual values, useful lives and depreciation and amortization methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the parent company statement of income in the year the asset is derecognized.

Investment Properties
Investment properties consist of properties (land or a building or part of a building or a combination) held to earn rentals or for capital appreciation or both, rather than for:

a. use in the production or supply of goods or services or for administrative purposes; or
b. sale in the ordinary course of business.

These assets, except for land, are stated at cost, including transaction costs, less accumulated depreciation and any accumulated impairment in value. Land is carried at cost (initial purchase price and other cost directly attributable to such property) less any accumulated impairment in value.

Depreciation is computed using the straight-line method over the estimated useful lives of 5 to 20 years. The investment properties' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Investment properties are derecognized either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the parent company statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount of the asset at the date of change in use. If owner-occupied property becomes an investment property, the Parent Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Creditable Withholding Taxes (CWT)
CWT represents the amount withheld by the Parent Company's customers in relation to its rental income, management fees, commission income and consultancy fees.

These are recognized upon collection of the related billings and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWT is stated at estimated net realizable value.

Right-of-use Assets
The Parent Company 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 the Parent Company 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 as follow:

Categories	Number of years
Land	10 years
Office space	4.5 years

Right-of-use assets are subject to impairment.

Impairment of Nonfinancial Assets
The Parent Company assesses at each financial reporting date whether there is an indication that its nonfinancial assets comprising of investments in and deposits to subsidiaries and associates, property and equipment, investment properties and other noncurrent assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company estimates the asset or cash generating unit (CGU)'s recoverable amount. An asset's estimated recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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 parent company statement of income.

Employee Benefits
Retirement Benefits. The Parent Company has a funded, non-contributory defined benefit pension plan covering all of its regular employees, administered by a Board of Trustees (BOT). The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. 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 the parent company statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the parent company statement of income in subsequent periods. These are closed to retained earnings.

Net interest is calculated by applying the discount rate to the net defined liability or asset. The Parent Company recognizes the following changes in the net defined benefit obligation under "General and administrative expenses" in the parent company statement of income:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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 Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Employee Leave Benefit. Employee benefits 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.

Common and Preferred Stock and Capital in Excess of Par Value

The Parent Company has issued capital stock that is classified as equity. Incremental costs directly attributable to the issuance of new capital stock are shown as a deduction, net of tax, from the proceeds. Capital in excess of par value represents the excess of the net proceeds over the stated par value of shares.

Treasury Stock

Shares of the Parent Company that are acquired by the Parent Company are recorded at cost and deducted from equity in the parent company statement of financial position. No gain or loss is recognized in the parent company statement of income on the purchase, sale, re-issue or cancellation of treasury shares. Any difference between the carrying amount and the consideration, if re-issued, is recognized in capital in excess of par value.

Retained Earnings
The amount included in retained earnings includes profit attributable to the Parent Company's stockholders and reduced by dividends. Dividends are recognized as a liability and deducted from retained earnings when they are declared. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the reporting period. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Basic/Diluted Earnings per Share (EPS)
Basic EPS is calculated by dividing the net income (less preferred dividends, if any) for the year attributable to common stockholders by the weighted average number of common stock outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted EPS is calculated in the same manner, adjusted for the effects of the outstanding stock options under the Parent Company's ESOP. Outstanding stock options will have dilutive effect under the treasury stock method only when the average market price of the underlying common share during the year exceeds the exercise price of the option.

Where the EPS effect of the assumed exercise of outstanding options has anti-dilutive effect, diluted EPS is presented the same as basic EPS with a disclosure that the effect of the exercise of the instruments is anti-dilutive.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Parent Company and the amount of the revenue can be measured reliably, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Parent Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The following specific recognition criteria must also be met before revenue is recognized:

Dividend Income. Revenue is recognized when the Parent Company's right to receive the payment is established.

Finance Income. Finance income is recognized using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Other Income. Other income mainly consists of rental income, management fees, commission income and consultancy fees. Rental income arising from operating lease on investment properties is accounted on a straight-line basis over the lease term. Other income is recognized as services are rendered.

Costs and Expense Recognition
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are generally recognized when the services are used or the expenses arise.

Income Taxes
Current Income Tax. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the financial reporting date.

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied 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 as at the financial reporting date.

Value Added Tax (VAT). Expenses and assets are recognized net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Where receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the parent company statement of financial position.

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

Lease Liabilities. At the commencement date of the lease, the Parent Company 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 Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company 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 Parent Company 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.

Short-term Leases. The Parent Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Parent Company as Lessor. Leases where the Parent Company does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating lease. Initial direct cost incurred in negotiating and arranging 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.

Provisions and Contingencies

Provisions are recognized when the Parent Company 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. Where the Parent Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the parent company statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as "Finance costs" in the parent company statement of income.

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

Events after the Financial Reporting Period

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

3. **Significant Accounting Estimates and Assumptions**

The preparation of the parent company financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent asset and contingent liabilities, at the end of the reporting period. However, uncertainty about these estimates and assumptions could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial 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. The Parent Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future development however, may change due to market changes or circumstances arising beyond the control of the Parent Company. Such changes are reflected in the assumptions when they occur.

a. *Provision for Impairment Loss on Investments in and Deposits to Subsidiaries and Associates.* The Parent Company assess impairment of investments in subsidiaries and associates whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Parent Company consider important, which could trigger an impairment review include the following:

   - a downgrade of a subsidiary's or associate's credit rating or a decline in the fair value of the subsidiary, associate or joint venture in consideration of other available information
   - significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates

   The Parent Company determined the recoverable amount of its investments in and deposits to subsidiaries and associates based on adjusted net asset method and discounted cash flow method.

   No impairment loss on investments in and deposits to subsidiaries and associates was recognized in 2024 and 2023. The carrying amounts of the investments in and deposits to subsidiaries and associates amounted to ₱49,446 million and ₱48,324 million as of December 31, 2024 and 2023, respectively.

   Information on the Parent Company's investments in and deposits to subsidiaries and associates are disclosed in Note 6.

b. *Calculation of Retirement and Other Employee Benefits Liability.* The present value of the retirement and other employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement benefits include the discount rate and future salary rate increase. Any changes in these assumptions will impact the carrying amount of retirement and other employee benefit obligations.

   The Parent Company determines the appropriate discount rate at each financial reporting date. This is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle the retirement and other employee benefit obligations. In determining the appropriate discount rate, the Parent Company considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement and other employee benefit obligations.

Other key assumptions for retirement and other employee benefit obligations are based in part on current market conditions. Further details about the assumptions and other information related to the Parent Company's retirement and other employee benefits liability are disclosed in Note 17.

Retirement and other employee benefits liability amounted to ₱738 million and ₱674 million as at December 31, 2024 and 2023, respectively (see Note 17).

c. *Recognition of Deferred Tax Assets.* The Parent Company's assessment on the recognition of deferred tax assets on deductible temporary differences, carryforward benefits of excess MCIT and unused NOLCO, is based on the forecasted taxable income of the following reporting periods. This forecast is based on the Parent Company's past results and future expectations on revenues and expenses.

   As at December 31, 2024 and 2023, deferred tax assets have not been recognized in the parent company financial statements on items disclosed in Note 19, since management believes that there is a low probability that future taxable income will be sufficient against which these deferred tax assets can be utilized (see Note 19).

d. *Fair Value of Financial Instruments.* Certain financial assets and financial liabilities are required to be carried at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates and volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and financial liabilities would directly affect the parent company statement of income and equity. Fair values of the Parent Company's financial assets and liabilities are set out in Note 23 of the parent company financial statements.

e. *Legal Contingencies.* As at December 31, 2024 and 2023, the Parent Company is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the parent company financial statements. Disclosure of additional details beyond the present disclosures may seriously prejudice the Parent Company's position and negotiating strategy.

   The Parent Company, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the parent company financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at December 31, 2024 and 2023, management has developed an estimate of the probable cash outflow to settle these assessments and has recognized provision for these liabilities.

   As allowed by PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, no further disclosures were provided as this might prejudice the Parent Company's position on this matter.

4. **Cash and Cash Equivalents**

	2024	2023
	(In Millions)	
Cash on hand and in banks	**₱617**	₱296
Cash equivalents	**2,606**	1,970
	₱3,223	₱2,266

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents consist of short-term placements, which are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest at the prevailing short-term placement rates.

Total interest income earned from cash and cash equivalents amounted to ₱85 million and ₱121 million in 2024 and 2023, respectively.

5. Receivables

	2024	2023
	(In Millions)	
Dividends receivable (Note 6)	**₱225**	₱225
Nontrade receivables	**63**	58
Due from related parties (Note 20)	**42**	43
Interest receivable	**6**	4
	336	330
Less allowance for ECL on nontrade receivables and due from related parties (Notes 20 and 22)	**73**	73
	₱263	₱257

The terms and conditions of due from related parties are disclosed in Note 20.

The terms and conditions of other receivables are as follows:

a. Nontrade receivables are noninterest-bearing and are collectible within 12 months.
b. Interest receivable is normally collectible within 12 months.

6. Investments in and Deposits to Subsidiaries and Associates

	2024	2023
	(In Millions)	
Investment in subsidiaries and associate:		
Balance at beginning of year	**₱49,418**	₱47,073
Additions	**982**	2,590
Redemptions	**–**	(245)
Balance at end of year	**50,400**	49,418
Deposits for future stock subscription:		
Balance at beginning of year	**2,277**	3,131
Additions	**140**	6
Returns	**–**	(860)
Balance at end of year	**2,417**	2,277
Allowance for impairment loss	**(3,371)**	(3,371)
	₱49,446	₱48,324

As at December 31, 2024 and 2023, the Parent Company’s accumulated allowance for impairment loss on investments in and deposits to subsidiaries and associates amounted to ₱3,371 million. No provision for impairment loss on investments in and deposits to subsidiaries and associates was recognized in 2024 and 2023.

The investments in shares of stock of subsidiaries and associates consist of the following:

	Principal Activity	Percentage of Ownership 2024	2023
Subsidiaries			
First Balfour, Inc. (First Balfour)	Construction and project management	**100.00**	100.00
First Philippine Electric Corporation (FPEC)	Manufacturer of electrical components	**100.00**	100.00
First Philippine Properties Corporation (FPPC)	Real property owner and developer	**100.00**	100.00
First Philippine Realty Corporation (FPRC)	Real property holdings and lessor	**100.00**	100.00
First Philippine Utilities Corporation (FPUC)	Investment holdings	**100.00**	100.00
FPH Capital Resources, Inc. (FCRI)	Investment holdings	**100.00**	100.00
FGHC International (FGHC International)	Special-purpose entity of the Parent Company	**100.00**	100.00
FPH Fund	Special-purpose entity of the Parent Company	**100.00**	100.00
FPH Pi Ventures, Inc. (FPH Pi)	Special-purpose entity of the Parent Company	**100.00**	100.00
Securities Transfer Services, Inc.[b]	Stock transfer agent	**100.00**	100.00
FP Island Energy Corporation (FP Island)	Power distribution	**100.00**	100.00
First Industrial Science and Technology College Inc. (First College)	Education	**100.00**	100.00
First Philippine Industrial Corporation (FPIC)	Supplier of commercial petroleum products	**100.00**	100.00
Pi Health Inc. (PHI)	Medical and research	**100.00**	100.00
Pi Energy Inc. (PEI)	Power generation and related services	**100.00**	100.00
Pi Health Manufacturing and Distribution Services Inc. (PHMDSI)	Manufacturer of medical and optical supplies	**100.00**	100.00
The Medical Services of America (Philippines) Inc. (MSA-PH)	Installation and selling of medical equipment and cardio pulmonary services	**100.00**	100.00
FPHC Realty and Development Corporation (Realty)[a]	Real property lessor	**98.00**	98.00
Rockwell Land Corporation (Rockwell Land)	Real estate developer	**86.58**	86.58
Asian Eye Institute, Inc. (AEI)	Medical and research	**82.78**	82.78
First Philippine Industrial Park, Inc. (FPIP)	Real estate developer	**70.00**	70.00
First Gen Corporation (First Gen)	Power generation	**67.84**	67.84
Infopro Business Solutions, Inc. (IBSI)	Support services	**66.92**	66.92
Batangas Cogeneration Corporation (Batangas Cogen)[b]	Power distribution	**60.00**	60.00
First Batangas Hotel Corporation (First Batangas)	Owner and operator of lodging facilities	**57.70**	57.70
Associate			
Panay Electric Company (Panay Electric)	Power distribution	**30.00**	30.00

a Has not started operations
b Under liquidation

All subsidiaries are incorporated in the Philippines and registered with the Philippine SEC, except for FGHC International and FPH Fund which are incorporated in the Cayman Islands, and FPH Pi which is incorporated in the United States of America.

Additions to investments in subsidiaries are as follows:

Subsidiary	Type of Shares	**2024 Subscription Price**	**2024 Number of Shares**	2023 Subscription Price	2023 Number of Shares
		(In Millions)		*(In Millions)*	
FPPC	Preferred	**₱710**	**710,406**	₱753	1,036,805
PEI	Preferred	**163**	**163,200**	301	301,300
AEI	Common	**62**	**614,892**	30	300,000
FGHC International	Common	**29**	**1,700**	–	–
FPRC	Preferred	**12**	**11,618**	9	8,557
PHMDSI	Preferred	**5**	**5,376**	65	65,000
MSA-PH	Common	**1**	–	441	2,217,895
First Balfour	Preferred	–	–	900	900,000
First College	Preferred	–	–	52	173,847
	Common	–	–	5	14,487
FP Island	Preferred	–	–	26	25,800
PHI	Preferred	–	–	8	8,000
		₱982		₱2,590	

The following are significant transactions and information of certain subsidiaries in 2024 and 2023:

First Philec
In 2012, First PV Ventures (First PV) and First Philec Nexolon Corporation (FPNC) initiated arbitration proceedings against Nexolon Co Ltd (Nexolon) with the International Court of Arbitration of the International Chamber of Commerce (ICC). The arbitral tribunal rendered the final award in October 2014 which required Nexolon to pay damages and pre-award interest to FPNC in the amount of $24.8 million (₱1,233 million) and a put option price to First PV in the amount of ₱2,000 million. As at March 27, 2025, no payments have been made on the award by Nexolon which is reported to be in rehabilitation proceedings. FPNC and First PV have filed their appropriate claims in Korean rehabilitation courts.

The claims have not been recognized in First PV's and FPNC's financial statements pursuant to PAS 37, which requires the recognition of contingent assets only when the realization of income is virtually certain.

In 2023, First Philec redeemed additional 946,480 preferred stock held by the Parent Company at a total redemption price of ₱95 million and the remaining deposit for future subscription amounting to ₱14 million was returned to the Parent Company.

FPIC
FPIC's white oil pipeline (WOPL) operation was stopped when the Supreme Court (SC) issued a Writ of Kalikasan with a Temporary Environmental Protection Order (TEPO) in November 2010.

The SC already issued a resolution on June 16, 2015 allowing FPIC to resume operations. The test run to be supervised by the Department of Energy has yet to be completed. The final resolution of the case remains pending as at March 27, 2025.

Aside from the *Writ of Kalikasan*, a number of unit owners and residents of the affected condominium have filed a civil case for damage suits against FPIC, its directors and officers, First Gen, Pilipinas Shell Petroleum Corporation and Chevron Philippines, Inc. for a total approximate amount of ₱2,500 million representing actual, moral, exemplary damages, medical fund and lawyers' fees. This case has been elevated to the SC on February 20, 2015. West Tower also elevated the matter to the SC through a Petition for Review. As at March 27, 2025, the petition remains pending with the SC.

FPUC
In 2023, FPUC redeemed 300,000 redeemable preferred stock held by the Parent Company at a total redemption price of ₱150 million equivalent to the investment cost.

Pi Health Inc.
In 2023, the remaining deposit for future subscription amounting to ₱10 million was returned to the Parent Company.

FCRI
In 2024 and 2023, the Parent Company made additional deposits for future stock subscription amounting to ₱4 million and ₱6 million, respectively.

First College
In 2024, the Parent Company made additional deposits for future stock subscription amounting to ₱66 million.

MSA-PH
On May 25, 2023, the Parent Company completed the acquisition of The Medical Services of America (Philippines) Inc. for a total acquisition price of ₱421 million. MSA-PH provides hospitals with medical device services, including medical personnel. In 2024, the Parent Company recognized additional investment amounting to ₱0.6 million pertaining to the remaining registration fees.

FPH Fund
In 2023, FPH Fund returned the deposit for future stock subscription to the Parent Company amounting to ₱836 million.

AEI
In 2024, the Parent Company made additional deposits for future stock subscription amounting to ₱70 million.

Dividend Income
Dividend income from subsidiaries and associates are as follows:

	2024	2023
	(In Millions)	
First Gen	**₱2,221**	₱2,221
FPEC	**996**	870
Rockwell Land	**541**	400
PHI	**15**	–
First Philec, Inc.	**4**	4
IBSI	**3**	–
First Batangas	**2**	–
Panay Electric	–	121
	₱3,782	₱3,616

As at December 31, 2024 and 2023, dividends receivable from First Balfour and First Gen amounting to ₱200 million and ₱25 million, respectively, are presented as part of "Receivables" account in the parent company statements of financial position.

7. Financial Assets at FVOCI

	2024	2023
	(In Millions)	
Meralco shares	**₱21,658**	₱17,708
Lopez Holdings shares	**1,923**	3,027
Proprietary membership shares	**279**	262
Other equity securities	**50**	50
	₱23,910	₱21,047

Meralco
The Parent Company holds 44,382,436 shares or 3.94% of Meralco common shares as at December 31, 2024 and 2023. The carrying amounts of the Parent Company's investment in Meralco as at December 31, 2024 and 2023 amounted to ₱21,658 million (valued at ₱488 per share) and ₱17,708 million (valued at ₱399 per share), respectively.

Lopez Holdings
The Parent Company holds 712,206,016 shares or 15.76% and 15.68% of Lopez Holdings common shares as at December 31, 2024 and 2023, respectively. The carrying amounts of the Parent Company's investment in Lopez Holdings as at December 31, 2024 and 2023 amounted to ₱1,923 million (valued at ₱2.7 per share) and ₱3,027 million (valued at ₱4.25 per share), respectively.

Below are the movements in the accumulated unrealized fair value gain (loss) on all investments in equity securities recognized as part of equity as at December 31, 2024 and 2023:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱10,043**	₱4,605
Unrealized fair value gain (loss) recognized in OCI		
Meralco shares	**3,950**	4,447
Lopez Holdings shares	**(1,104)**	926
Proprietary membership shares	**17**	65
	2,863	5,438
Balance at end of year	**₱12,906**	₱10,043

Dividend income from financial assets at FVOCI are as follows:

	2024	2023
	(In Millions)	
Meralco	**₱955**	₱867
Lopez Holdings	**71**	71
	₱1,026	₱938

8. Property and Equipment

	2024				
	Land	**Buildings and Leasehold Improvements**	**Transportation Equipment**	**Furniture and Equipment**	**Total**
			(In Millions)		
Cost					
Balances at beginning of year	**₱7**	**₱287**	**₱54**	**₱109**	**₱457**
Additions	**–**	**19**	**1**	**12**	**32**
Disposals	**–**	**–**	**(3)**	**(1)**	**(4)**
Balances at end of year	**7**	**306**	**52**	**120**	**485**
Accumulated Depreciation					
Balances at beginning of year	**–**	**266**	**46**	**82**	**394**
Depreciation (Note 15)	**–**	**8**	**3**	**8**	**19**
Disposals	**–**	**–**	**(2)**	**(1)**	**(3)**
Balances at end of year	**–**	**274**	**47**	**89**	**410**
Net Book Value	**₱7**	**₱32**	**₱5**	**₱31**	**₱75**

	2023				
	Land	Buildings and Leasehold Improvements	Transportation Equipment	Furniture and Equipment	Total
			(In Millions)		
Cost					
Balances at beginning of year	₱7	₱265	₱54	₱83	₱409
Additions	–	22	–	26	48
Balances at end of year	7	287	54	109	457
Accumulated Depreciation					
Balances at beginning of year	–	265	44	76	385
Depreciation (Note 15)	–	1	2	6	9
Balances at end of year	–	266	46	82	394
Net Book Value	₱7	₱21	₱8	₱27	₱63

In 2024, the Parent Company sold property and equipment for a cash consideration equivalent to the net book value of ₱1 million.

The cost of fully depreciated assets still being used in the Parent Company's operations amounted to ₱438 million and ₱440 million as of December 31, 2024 and 2023, respectively.

No property and equipment are idle nor pledged as security for the Parent Company's long-term debt as at December 31, 2024 and 2023.

9. Investment Properties

	2024		
	Land	**Buildings and Office Spaces**	**Total**
		(In Millions)	
Cost			
Balance at beginning and end of year	**₱32**	**₱343**	**₱375**
Accumulated Depreciation			
Balance at beginning of year	**–**	**324**	**324**
Depreciation (Note 15)	**–**	**15**	**15**
Balance at end of year	**–**	**339**	**339**
Net Book Value	**₱32**	**₱4**	**₱36**

	2023		
	Land	Buildings and Office Spaces	Total
		(In Millions)	
Cost			
Balance at beginning and end of year	₱32	₱343	₱375
Accumulated Depreciation			
Balance at beginning of year	–	309	309
Depreciation (Note 15)	–	15	15
Balance at end of year	–	324	324
Net Book Value	₱32	₱19	₱51

Investment properties of the Parent Company consist of real properties and office spaces in excess of the Parent Company's requirements which are being leased to related and third parties. The fair values of investment properties amounted to ₱1,570 million as at December 31, 2024 and 2023, respectively, based on the reports of independent professional appraisers (see Note 23). The latest property appraisal was conducted in March 2023.

Rental income from and direct operating expenses on investment properties are as follows:

	2024	2023
	(In Millions)	
Rental income (Note 18)	**₱74**	₱66
Direct operating expenses (Note 15)	**(25)**	(25)
	₱49	₱41

10. **Other Noncurrent Assets**

	2024	2023
	(In Millions)	
CWTs	**₱364**	₱307
Development costs	**319**	310
Right-of-use assets - net (Note 21)	**93**	113
Advances to contractors and suppliers	**66**	60
Input VAT	**13**	51
Deferred input VAT	**13**	16
Others	**7**	5
	₱875	₱862

On August 8, 2024, the Parent Company's BOD approved the application of CWT refund with the BIR for the year 2022 amounting to ₱27.3 million. On March 18, 2025, the Authority to Issue Income Tax Refund/Tax Credit Certificate amounting to ₱25.9 million was received from the BIR.

Development costs are expenditures for a commercial property development project that pertains to professional fees for engineering services and architectural schematic designs.

Advances to contractors and suppliers are advance payments for services yet to be received by the Parent Company.

11. **Accounts Payable and Other Current Liabilities**

	2024	2023
	(In Millions)	
Accounts payable	**₱338**	₱353
Accruals for:		
General and administrative expenses	**859**	859
Interest (Note 12)	**77**	81
Current portion of long-term employee benefits (Note 17)	**58**	50
Others	**36**	109

(Forward)

	2024	2023
	(In Millions)	
Dividends payable (Note 13)	**₱391**	₱363
Statutory taxes payable	**30**	28
	₱1,789	₱1,843

The terms and conditions of the above liabilities are as follows:

a. Accounts payable are unsecured, noninterest-bearing and are normally settled on 30 days term.
b. Accrued expenses are normally settled within 12 months.
c. Dividends payable is normally settled on the dividend payment date as determined during the date of declaration.
d. Statutory taxes payable consist of other government dues which are normally settled within 12 months.

12. **Long-term Debt**

Description	Interest Rates	Maturity	2024	2023
			(In Millions)	
₱5,000 million (FXCN*)	4.11% - 4.63%	2030	**₱3,437**	₱4,062
₱5,000 million (FXCN*)	6.6772%	2030	**3,437**	4,062
₱1,000 million (FRCN*)	6.60%, floating interest rate	2033	**1,000**	1,000
₱1,000 million (FRCN*)	6.69%, floating interest rate	2032	**889**	1,000
₱1,000 million (FXCN*)	6.623%	2032	**889**	1,000
₱312.5 million (FRCN*)	6.60%, floating interest rate	2033	**313**	–
₱312.5 million (FRCN*)	6.78%, floating interest rate	2033	**313**	–
₱111 million (FRCN*)	6.63%, floating interest rate	2033	**111**	–
			10,389	11,124
Unamortized debt issue costs			**(24)**	(20)
			10,365	11,104
Less current portion - net of unamortized debt issue costs of ₱3 million and ₱2 million in 2024 and 2023, respectively			**1,773**	1,470
Noncurrent portion			**₱8,592**	₱9,634

**FXCN - Fixed Rate Corporate Notes*
**FRCN - Floating Rate Corporate Notes*

The movements in unamortized debt issue costs follow:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱20**	₱7
Additions	**6**	14
Amortization	**(2)**	(1)
Balance at end of year	**₱24**	₱20

The scheduled maturities of the long-term debts at nominal values (excluding debt issue costs) are as follows:

	2024	2023
	(In Millions)	
2024	**₱1,776**	₱1,472
2025	**1,776**	1,472
2026 and onwards	**6,837**	8,180
	₱10,389	₱11,124

Total finance costs, including amortization of debt issue cost, amounted to ₱637 million and ₱591 million in 2024 and 2023, respectively.

The terms of the FXCN and FRCN Facility Agreements require the Parent Company to comply with certain restrictions and covenants, which include among others: (i) maintenance of certain debt service coverage ratio at given periods; (ii) maintenance of certain levels of financial ratio; (iii) maintenance of its listing on the PSE; (iv) no material changes in the nature of business; (v) incurrence of indebtedness secured by liens, unless evaluated to be necessary; (vi) granting of loans to third parties except to subsidiaries or others in the ordinary course of business; (vii) sale or lease of assets; (viii) mergers or consolidations; and (ix) declaration or payment of dividends other than stock dividends during an Event of Default (as defined in the Agreement) or if such payments will result in an Event of Default.

All credit facilities of the Parent Company are unsecured. As at December 31, 2024 and 2023, the Parent Company is in compliance with these restrictions and covenants.

13. **Equity**

Common Stock

The details of the Parent Company's common stock as at December 31, 2024 and 2023 are as follows:

	Number of Shares	Amount
Authorized - ₱10 par value per share	1,210,000,000	₱12,100,000,000
Issued and outstanding	609,649,639	₱6,096,496,390

On May 3, 1963, the PSE approved the Parent Company's application to list 601,859,558 common stocks at an offer price of ₱15.78 per share. There are 11,854 and 11,902 shareholders of the Parent Company's common stock as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, capital in excess of par value amounted to ₱3,989 million.

In 2024 and 2023, the BOD of the Parent Company declared cash dividends as follows:

Declaration Date	Record Date	Payment Date	Outstanding Shares	Dividend per share	Amount *(In Millions)*
Nov. 7, 2024 (regular)	Nov. 25, 2024	Dec. 18, 2024	462,713,791	₱1.10	₱509
May 2, 2024 (regular)	May 23, 2024	June 17, 2024	463,586,091	₱1.10	₱510
Nov. 10, 2023 (regular)	Nov. 28, 2023	Dec. 18, 2023	463,586,091	₱1.10	₱510
May 4, 2023 (regular)	May 22, 2023	June 15, 2023	469,322,017	₱1.10	₱516

As at December 31, 2024 and 2023, the accumulated dividends payable to common stockholders mostly from past dividend declarations amounted to ₱391 million and ₱363 million, respectively (see Note 11).

Share Buyback. On July 4, 2019, the BOD approved the allotment of ₱5 billion for a Share Buyback Program up to July 2020. In December 2021, the BOD approved the allotment of ₱4.2 billion for the same program with an extension up to December 31, 2024.

In 2024, the Parent Company bought back additional 872,300 common stock for a total amount of ₱54 million. As at December 31, 2024, the Parent Company has bought back a total of 146,935,848 common stock at an average cost per share of ₱66.38 equivalent to ₱9,754 million of treasury stock.

In 2023, the Parent Company bought back additional 9,032,853 common stock for a total amount of ₱545 million. As at December 31, 2023, the Parent Company has bought back a total of 146,063,548 common stock at an average cost per share of ₱66.40 equivalent to ₱9,700 million of treasury stock.

Preferred Stock

The details of the Parent Company's authorized preferred stock as at December 31, 2024 and 2023 are as follows:

	Number of Shares	Amount
Authorized - ₱100 par value per share	107,000,000	₱10,700,000,000
Issued and outstanding	–	₱–

Retained Earnings

On October 9, 2019, the BOD approved the appropriation of the Parent Company's retained earnings amounting to ₱28,700 million for capital expenditures, debt service coverage requirements, additional investment in subsidiaries and share buyback program for a period of three years or up to December 31, 2021. On December 2, 2021, the BOD approved the extension of appropriation of the Parent Company's retained earnings for another three years from December 31, 2021 or up to December 31, 2024. On May 4, 2023, the retained earnings appropriation was increased from ₱28,700 million to ₱32,700 million, valid up to December 31, 2024. The Parent Company is yet to determine further retained earnings appropriation as necessary in 2025.

14. Earnings per Share

	2024	2023
	(In Millions, Except Number of Shares and Per Share Data)	
Net income (a)	**₱3,831**	₱3,516
Number of shares:		
Common stock outstanding at beginning of year	**463,586,091**	472,618,944
Weighted average effect of buyback during the year	**(207,433)**	(4,941,331)
Adjusted weighted average number of common stock outstanding - basic (b)	**463,378,658**	467,677,613
Basic/Diluted Earnings Per Share (a/b)	**₱8.268**	₱7.519

15. General and Administrative Expenses

	2024	2023
	(In Millions)	
Personnel expenses (Note 16)	**₱496**	₱682
Professional fees	**225**	147
Outside services	**77**	104
Depreciation and amortization (Notes 8, 9 and 21)	**54**	44
Direct operating expenses on investment properties (Note 9)	**25**	25
Donations	**21**	14
Advertising and promotion	**18**	15
Taxes and licenses	**12**	11
Insurance	**11**	8
Rental (Note 21)	**8**	8
Others	**43**	35
	₱990	₱1,093

16. Personnel Expenses

	2024	2023
	(In Millions)	
Salaries and employee benefits	**₱385**	₱335
Retirement benefit and other employee benefit expense (Note 17)	**105**	338
Trainings and others	**6**	9
	₱496	₱682

17. Retirement and Other Employee Benefits

Pension Plan

The Parent Company maintains a qualified, non-contributory defined benefit plan (the Plan) to provide a retirement program for all its regular employees.

The latest actuarial valuation of the Parent Company is dated December 31, 2024 and is determined using the projected unit credit method in accordance with PAS 19 Revised, *Employee Benefits*.

The net retirement benefit liabilities and other employee benefits liabilities are presented in the parent company statements of financial position as follows:

	2024	2023
	(In Millions)	
Net retirement benefit liabilities	**₱629**	₱559
Other employee benefits - net of current portion of ₱58 million in 2024 and ₱50 million in 2023 (Note 11)	**109**	115
	₱738	₱674

Retirement Benefits

The components of the retirement benefit expense recognized under “Personnel expenses” in the parent company statements of income are as follows (see Note 16):

	2024	2023
	(In Millions)	
Current service cost	**₱59**	₱125
Net interest cost	**30**	99
	₱89	₱224

The unfunded status of the retirement benefit obligation as at December 31 is as follows:

	2024	2023
	(In Millions)	
Present value of the defined benefit obligation	**₱1,702**	₱1,671
Fair value of plan assets	**(1,073)**	(1,112)
Net retirement benefit liabilities	**₱629**	₱559

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱1,671**	₱3,325
Recognized in profit or loss:		
Current service cost	**59**	125
Interest cost	**87**	185
	146	310
Benefits paid	**(119)**	(3,362)
Recognized in other comprehensive income:		
Actuarial losses (gains) due to:		
Changes in financial assumptions	**(6)**	112
Experience adjustments	**10**	1,286
	4	1,398
Balance at end of year	**₱1,702**	₱1,671

Changes in the fair value of plan assets are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱1,112**	₱1,604
Contributions	–	3,150
Interest income	**57**	86
Remeasurement gain (loss) on plan assets	**23**	(366)
Benefits paid	**(119)**	(3,362)
Balance at end of year	**₱1,073**	₱1,112

Changes in the net retirement benefit liability are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱559**	₱1,721
Current service cost	**59**	125
Net interest cost	**30**	99
Remeasurement losses (gains)	**(19)**	1,764
Contribution	–	(3,150)
Balance at end of year	**₱629**	₱559

The principal actuarial assumptions at the reporting dates are as follows:

	2024	2023
Discount rate	**6.11%**	6.06%
Future salary rate increases	**8.00%**	8.00%

Information about the Parent Company's retirement plan are as follows:

The BOT, which manages the retirement fund of the Parent Company, comprises five (5) executives of the Parent Company. Most of the trustees are beneficiaries also of the retirement plan. The investing decisions of the retirement fund are exercised by the BOT.

The retirement fund assets and investments as at December 31, 2024 and 2023 are as follows:

	Fair Value	
	2024	2023
	(In Millions)	
Assets:		
Investments in stocks	**₱263**	₱250
Investments in bonds	**620**	602
Cash and cash equivalents	**178**	232
Receivables	**12**	28
	₱1,073	₱1,112

- Cash and cash equivalents include regular savings and time deposits.
- Receivables include accrued interest receivable on cash and cash equivalents, short-term investments, financial assets at FVOCI and dividends receivable from equity securities.
- Investments in stocks are composed of the following investments in equity securities as at December 31:

	Relationship to the Parent Company	**2024**	2023
		(In Millions)	
Rockwell Land - common stock	Subsidiary	**₱246**	₱229
Jollibee Foods Corporation	–	**17**	21
		₱263	₱250

The fair value of these investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the financial reporting dates.

- Investments in bonds with certain financial institutions have fixed coupon rates and are maturing in 5 to 10 years from the issue dates. Investments in bonds are carried at fair value at each reporting date.

Based on the latest funding valuation as at December 31, 2024 and 2023, the Plan is underfunded by ₱629 million and ₱559 million, respectively. While there are no minimum funding standards in the Philippines, the size of underfunding will only be a cash flow risk when the total expected benefit payments for a period will exhaust the assets currently in the fund.

Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming all other assumptions were held constant:

	Increase (Decrease)	**2024**	2023
		(In Millions)	
Discount rates	+1.00%	**(₱108)**	(₱127)
	-1.00%	**145**	149
Future salary increases	+1.00%	**₱30**	₱23
	-1.00%	**(28)**	(21)

Maturity Analysis

Shown below is the maturity profile of the undiscounted benefit payments:

	2024	2023
	(In Millions)	
Less than 1 year	**₱596**	₱487
More than 1 year to 5 years	**651**	754
More than 5 years to 10 years	**572**	586
More than 10 years to 15 years	**525**	467
More than 15 years to 20 years	**314**	302
More than 20 years	**731**	651

As at December 31, 2024 and 2023, the average duration of the defined benefit obligation at the end of the reporting period is 6.10 years and 6.13 years, respectively.

The Parent Company is yet to determine whether it will make contributions to its retirement fund in 2025.

Other Long-term Employee Benefits

Other long-term employee benefits consists of accumulated employee sick and vacation leave entitlements.

Movements in other long-term employee benefits liability are as follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱165**	₱468
Net benefit cost in parent company statements of income:		
Current service cost	**8**	12
Interest cost	**10**	31
Actuarial loss	**–**	70
	18	113
Benefits paid	**(16)**	(416)
Balance at end of year	**167**	165
Current portion (Note 11)	**58**	50
Noncurrent portion	**₱109**	₱115

The principal assumptions used in determining other employee benefits liability are shown below:

	2024	2023
Discount rate	**6.11%**	6.03%
Future salary rate increase	**8.00%**	8.00%

18. Others - net

	2024	2023
	(In Millions)	
Consultancy fees (Note 20)	**₱440**	₱457
Rental income (Note 9)	**74**	66
Centralized finance service fees (Note 20)	**40**	30
Foreign exchange gain - net	**22**	8
Other loss - net	**–**	(27)
	₱576	₱534

19. Income Taxes

The Parent Company is subject to RCIT or MCIT, whichever is higher. The Parent Company's provision for current income tax represents MCIT of ₱11 million and ₱8 million in 2024 and 2023, respectively.

A reconciliation between the Parent Company's statutory income tax rate and effective income tax rate as shown in the parent company statements of income follows:

	2024	2023
	(In Millions)	
Statutory income tax of 25%	**₱961**	₱881
Income tax effects of:		
Dividend income	**(1,202)**	(1,139)
Expenses not deducted for MCIT purposes	**276**	310
Change in tax rate from RCIT to MCIT	**(126)**	(133)
Nondeductible expenses	**123**	119
Interest income subject to final tax	**(21)**	(30)
	₱11	₱8

The components of the Parent Company's net deferred tax liabilities as at December 31 are as follows:

	2024	2023
	(In Millions)	
Deferred tax liabilities on:		
Unrealized foreign exchange gains	**₱23**	₱18
Right-of-use assets	**23**	28
	46	46
Deferred tax assets on:		
NOLCO	**₱46**	₱41
Lease liabilities	**–**	5
	46	46
	₱–	₱–

As at December 31, 2024 and 2023, the Parent Company has deductible temporary differences and carryforward benefits on NOLCO and MCIT for which no deferred tax assets were recognized as management expects that it is not probable that sufficient future taxable profit will be available against which deferred tax assets can be utilized. Details are as follows:

	2024	2023
	(In Millions)	
NOLCO	**₱3,917**	₱3,156
Allowance for impairment losses on investments	**3,371**	3,371
Unamortized past service cost	**2,419**	2,722
Accrual of vacation leaves and others	**917**	909
Retirement and other employee benefit liabilities	**796**	724
allowance for ECL on nontrade receivables and due from related parties	**73**	73
Excess MCIT credits	**21**	12

NOLCO and MCIT that can be claimed as deduction from future taxable income and apply against tax due, respectively, are as follows:

Year of Recognition	Availment Period	As at December 31, 2023	Additions	Applied	Expired	As at December 31, 2024
NOLCO						
2024	2025–2027	₱–	₱781	₱–	₱–	₱781
2023	2024–2026	787	–	–	–	787
2022	2023–2025	766	–	–	–	766
2021	2022–2026	848	–	–	–	848
2020	2021–2025	919	–	–	–	919
		₱3,320	₱781	₱–	₱–	₱4,101
MCIT						
2024	2025–2027	₱–	₱11	₱–	₱–	₱11
2023	2024–2026	8	–	–	–	8
2022	2023–2025	2	–	–	–	2
2021	2022–2024	2	–	–	(2)	–
		₱12	₱11	₱–	(₱2)	₱21

Bayanihan to Recover as One Act (Bayanihan 2)
On September 30, 2020, the BIR issued RR No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2021 and 2022 can be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss. Subsequent to taxable year 2021, the period over which the carry-over of NOLCO can be offset against taxable income reverts to three consecutive taxable years immediately following the year of such loss.

The Parent Company has unused NOLCO incurred in taxable years 2021 and 2020 which can be claimed as deduction against taxable income for the next five consecutive taxable years pursuant to the Bayanihan 2 as follows:

Year of Recognition	Availment Period	As at December 31, 2023	Additions	Applied	Expired	As at December 31, 2024
2021	2022−2026	₱848	₱–	₱–	₱–	₱848
2020	2021−2025	919	–	–	–	919
		₱1,767	₱–	₱–	₱–	₱1,767

MCIT
On June 20, 2023, the BIR issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (R.A.) No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. The MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

In accordance with RMC 69-2023, the Parent Company recognized MCIT using the effective rate of 2% in 2024 and 1.5% 2023.

20. **Related Party Disclosures**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Parent Company, including holding companies, and fellow subsidiaries are related entities of the Parent Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Parent Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

The following table provides the total amount of transactions and balances that have been entered into with related parties for the relevant years:

	Nature	**2024**	2023
		(In Millions)	
First Gen	Consultancy fees (Note 18)	**₱138**	₱138
FGP Corp.	Consultancy fees (Note 18)	**97**	97
First Gas Power Corporation	Consultancy fees (Note 18)	**81**	81
AEI	Rental income (Note 18)	**31**	29
	Centralized finance service fees (Note 18)	**7**	–
	Consultancy fees (Note 18)	**3**	3
FPDMC	Consultancy fees (Note 18)	**27**	27
Prime Meridian Powergen Corporation	Consultancy fees (Note 18)	**27**	27
Thermaprime Drilling Corporation	Consultancy fees (Note 18)	**24**	20
First Philec, Inc. (FPI)	Consultancy fees (Note 18)	**24**	15
	Centralized finance service fees (Note 18)	**2**	2
IBSI	System management and accounting support fees	**18**	15
First Balfour	Consultancy fees (Note 18)	**16**	16
	Construction services	**11**	4
Rockwell-Meralco BPO Venture	Amortization - ROU asset: office space (Note 21)	**14**	14
	Lease interest expense on office space (Note 21)	–	1
TGServices, Inc. (TGSI)	Janitorial and messengerial Services	**10**	11
Powerlink Security And Investigative Services, Inc.	Security Services	**9**	10
Goldlink Security And Investigative Services Inc.	Security Services	**6**	6
Goldlink Protective And Detective Services, Inc.	Security Services	**4**	3
Pi Health	Consultancy fees (Note 18)	**3**	3
	Centralized finance service fees (Note 18)	**3**	3
FPPC	Centralized finance service fees (Note 18)	**3**	3
First College	Centralized finance service fees (Note 18)	**3**	3
FPRC	Centralized finance service fees (Note 18)	**3**	3
	Hospitality services	**3**	2
FCRI	Centralized finance service fees (Note 18)	**2**	2
First Philippine Development Corporation	Centralized finance service fees (Note 18)	**2**	2
First Sumiden Realty Inc. (FSRI)	Centralized finance service fees (Note 18)	**2**	2
FPH Land Ventures Inc.	Centralized finance service fees (Note 18)	**2**	2
Legacy Homes Incorporated	Centralized finance service fees (Note 18)	**2**	2
PEI	Centralized finance service fees (Note 18)	**2**	–
MSA-PH	Centralized finance service fees (Note 18)	**2**	–
FPIP	Centralized finance service fees (Note 18)	**1**	1
FPHC Pension Fund	Centralized finance service fees (Note 18)	**1**	1

(Forward)

	Nature	2024	2023
		(In Millions)	
FPUC	Centralized finance service fees (Note 18)	**₱1**	₱1
PHMDSI	Centralized finance service fees (Note 18)	**1**	3
First NatGas Power Corp.	Consultancy fees (Note 18)	**–**	30
		₱585	₱582

Receivables from related parties which are expected to be settled in cash, are as follows:

	Terms	Conditions	2024	2023
			(In Millions)	
Due from Related Parties (Note 5)				
Affiliate:				
INAEC Aviation Corporation	30 days upon receipt of billings; noninterest-bearing	Unsecured, impaired	**₱8**	₱8
Subsidiaries:				
First Balfour	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**6**	6
FPDMC	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**5**	–
FWV Biofields	30 days upon receipt of billings; noninterest-bearing	Unsecured, impaired	**3**	3
FP Island	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**2**	–
FPIP	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**1**	2
FPI	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**1**	2
First Gen	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**1**	1
PHI	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**1**	–
First College	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**–**	2
FPPC	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**–**	1
FLVI	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**–**	1
FCRI	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**–**	1
FSRI	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**–**	1
FPDC	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**–**	1
AEI	30 days upon receipt of billings; noninterest-bearing	Unsecured, partially impaired	**–**	–
Others	30 days upon receipt of billings; noninterest-bearing	Unsecured, unimpaired	**14**	14
			₱42	₱43

Payables to related parties which are expected to be settled in cash, are as follows:

	Terms	**2024**	2023
		(In Millions)	
Due to Related Parties (Note 11)			
Affiliate:			
Goldlink Protective and Detective Services, Inc.	30 days upon receipt of billings; noninterest-bearing	**₱2**	₱1
Goldlink Security and Investigative Services Inc.	30 days upon receipt of billings; noninterest-bearing	**1**	–
TGSI	30 days upon receipt of billings; noninterest-bearing	**1**	1
Subsidiaries:			
FPRC	30 days upon receipt of billings; noninterest-bearing	**1**	–
IBSI	30 days upon receipt of billings; noninterest-bearing	**1**	2
Others	30 days upon receipt of billings; noninterest-bearing	**2**	3
		₱8	₱7

There was no additional provision for impairment loss recognized in 2024 and 2023. As at December 31, 2024 and 2023, the allowance for ECL on receivable from related parties amounted to ₱11 million (see Note 5). The Parent Company undertakes an assessment each financial year by examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel are as follows:

	2024	2023
	(In Millions)	
Short-term employee benefits	**₱102**	₱102
Retirement benefits	**19**	33
	₱121	₱135

21. Leases

Parent Company as a lessee
The Parent Company has lease contracts for a land and an office space used in its operations. Lease of a land has a lease term of 10 years, while lease of an office space has a lease term of 4.5 years.

The Parent Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Parent Company is not restricted from assigning and subleasing the leased assets.

The rollforward analysis of the right-of-use assets follows:

	2024		
	Land	**Office space**	**Total**
		(In Millions)	
Cost			
Balances at beginning and end of year	**₱116**	**₱91**	**₱207**
Accumulated Amortization			
Balances at beginning of year	**25**	**69**	**94**
Amortization (Note 15)	**6**	**14**	**20**
Balances at end of year	**31**	**83**	**114**
Net Book Values	**₱85**	**₱8**	**₱93**

	2023		
	Land	Office space	Total
		(In Millions)	
Cost			
Balances at beginning and end of year	₱116	₱91	₱207
Accumulated Amortization			
Balances at beginning of year	19	55	74
Amortization (Note 15)	6	14	20
Balances at end of year	25	69	94
Net Book Values	₱91	₱22	₱113

The following are the amounts recognized in the parent company statements of income:

	2024	2023
	(In Millions)	
Amortization expense of right-of-use assets (Note 15)	**₱20**	₱20
Expenses relating to short-term leases (included in general and administrative expenses) (Note 15)	**8**	8
Interest expense on lease liabilities (Note 22)	**–**	1
	₱28	₱29

The rollforward analysis of the lease liabilities follows:

	2024	2023
	(In Millions)	
Balance at beginning of year	**₱18**	₱34
Payments (Note 22)	**(17)**	(17)
Finance cost (Note 22)	**–**	1
Balance at end of year	**1**	18
Current portion	**1**	16
Noncurrent portion	**₱–**	₱2

The Parent Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company’s business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The maturity analysis of the undiscounted lease payments is disclosed in Note 22 under liquidity risk section.

22. **Financial Risk Management Objectives and Policies**

The Parent Company's principal financial instruments include non-derivative instruments such as cash and cash equivalents. The main purpose of these financial instruments is to raise finances for the Parent Company's operations. The Parent Company has various other financial assets and liabilities, such as receivables (excluding advances to officers and employees), financial assets at FVOCI, accounts payable and other current liabilities (excluding statutory taxes payable), lease liabilities and long-term debts.

The Parent Company does not engage in any speculative derivative transactions.

The Parent Company has an Enterprise-wide Risk Management Program which aims to identify risks based on the likelihood of occurrence and impact to the business, formulate risk management strategies, assess risk management capabilities and continuously monitor the risk management efforts. The main risks arising from the use of financial instruments are market risk, credit risk and liquidity risk.

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest Rate Risk. Interest rate risk arises from the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The Parent Company's exposure to the risk for changes in market interest rates relates primarily to the Parent Company's long-term debt obligations with floating interest rates. The Parent Company believes that prudent management of its interest cost will entail a balanced mix of fixed and variable rate debt. On a regular basis, the Finance Group of the Parent Company monitors the interest rate exposure and presents it to management. To manage the exposure to floating interest rates in a cost-efficient manner, prepayment, or refinancing are undertaken as deemed necessary and feasible.

The tables below show the finance income and costs from the Parent Company's financial instruments:

		2024	
	Finance Income	**Finance Costs**	**Net Finance Income (Cost)**
		(In Millions)	
Cash in banks and cash equivalents (Note 4)	**₱85**	**₱–**	**₱85**
Long-term debt (Note 12)	**–**	**(637)**	**(637)**
	₱85	**(₱637)**	**(₱552)**

		2023	
	Finance Income	Finance Costs	Net Finance Income (Cost)
		(In Millions)	
Cash in banks and cash equivalents (Note 4)	₱121	₱–	₱121
Lease liabilities (Note 21)	–	(1)	(1)
Long-term debt (Note 12)	–	(591)	(591)
	₱121	(₱592)	(₱471)

Foreign Currency Risk. Foreign currency risk arises from the possibility that future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

The Parent Company's exposure to foreign currency exchange risk results from its business transactions denominated in foreign currencies. It is the Parent Company's policy to ensure active and prudent management of its foreign exchange risk.

The foreign-currency-denominated assets and liabilities, which pertain to the U.S. dollar, are translated to Philippine peso being the functional and presentation currency of the Parent Company. In translating these foreign-currency-denominated monetary assets into Philippine peso, the exchange rates used were ₱57.85 and ₱55.37 to US$1.00 which is the Philippine peso-U.S. dollar closing exchange rates as at December 31, 2024 and 2023, respectively.

The table below summarizes the Parent Company's exposure to foreign currency exchange risk as at December 31, 2024 and 2023:

	2024		2023	
	U.S. Dollar	**Philippine Peso**	U.S. Dollar	Philippine Peso
		(In Millions)		
Financial Asset				
Cash in banks and cash equivalents	**$0.3**	**₱18**	$0.3	₱16

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso to U.S. dollar exchange rate, with all other variables held constant, of the Parent Company's income before tax (due to changes in the fair value of foreign-currency-denominated financial assets) as at December 31, 2024 and 2023.

	Change in Exchange Rate in U.S. dollar against Philippine peso	Effect on Income Before Income Tax
		(In Millions)
2024	**+10%**	**₱2**
	-10%	**(2)**
2023	+10%	₱2
	-10%	(2)

There is no effect on equity other than the effect on income before income tax.

Equity Price Risk. Equity price risk arises from uncertainties about future values of the investment in equity securities.

The Parent Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Parent Company's BOD reviews and approves all equity investment decisions.

The following table demonstrates the sensitivity to a reasonably possible change in share price, with all other variables held constant:

Quoted Equity Securities	Change in Equity Price*	Effect on Other Comprehensive Income
		(In Millions)
2024	**+24%**	**₱5,198**
	–24%	**(5,198)**
2023	+21%	₱3,719
	–21%	(3,719)

**Average percentage change in share price during the years ended December 31, 2024 and 2023.*

As at December 31, 2024 and 2023, the sensitivity analysis includes the Parent Company's significant quoted equity securities with amounts adjusted by the specific beta for these investments.

Credit Risk

The Parent Company trades only with recognized, creditworthy third parties and/or transacts only with institutions and/or banks which have demonstrated financial soundness. It is the Parent Company's policy that all parties who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis and level of allowance is reviewed with the result that the Parent Company's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets which comprise mostly of cash in banks and cash equivalents, receivables (excluding advances to officers and employees) and equity instruments at FVOCI, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets which also represents the maximum credit exposure as at the reporting date are as follows:

	2024	2023
Cash in banks and cash equivalents	**₱3,223**	₱2,266
Receivables	**263**	257
Financial assets at FVOCI	**23,910**	21,047
	₱27,396	₱23,570

Aging Analysis. The aging analysis of financial assets follows:

	2024		
	Current	**ECL**	**Total**
Cash and cash equivalents	**₱3,223**	**₱–**	**₱3,223**
Receivables	**263**	**73**	**336**
Financial assets at FVOCI	**23,910**	**–**	**23,910**
	₱27,396	**₱73**	**₱27,469**

	2023		
	Current	ECL	Total
Cash and cash equivalents	₱2,266	₱–	₱2,266
Receivables	257	73	330
Financial assets at FVOCI	21,047	–	21,047
	₱23,570	₱73	₱23,643

There are no past due receivables other than those provided with allowance for ECL.

Credit Risk under General and Simplified Approach

	2024				
	General Approach			**Simplified Approach**	
	Stage 1	**Stage 2**	**Stage 3**		**Total**
Cash and cash equivalents*	**₱3,223**	**₱–**	**₱–**	**₱–**	**₱3,223**
Receivables	**–**	**–**	**–**	**336**	**336**
Financial assets at FVOCI	**23,910**	**–**	**–**	**–**	**23,910**
	₱27,133	**₱–**	**₱–**	**₱336**	**₱27,469**

** Excluding cash on hand amounting to ₱0.09 million.*

	2023				
	General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3		Total
Cash and cash equivalents*	₱2,266	₱–	₱–	₱–	₱2,266
Receivables	–	–	–	330	330
Financial assets at FVOCI	21,047	–	–	–	21,047
	₱23,313	₱–	₱–	₱330	₱23,643

** Excluding cash on hand amounting to ₱0.09 million.*

Liquidity Risk

The Parent Company's exposure to liquidity risk refers to the lack of funding needed to finance its investments, service its maturing loan obligations on time and meet its working capital requirements. To manage this exposure, the Parent Company maintains internally generated funds and prudently manages the proceeds obtained from its investments and sale of assets. The Parent Company employs scenario analysis to actively manage its liquidity position and ensure that all operating and financing needs are met. The Parent Company maintains a level of cash and cash equivalents deemed sufficient to finance the operations and ensures the availability of short-term credit lines with certain banking institutions.

The table summarizes the maturity profile of the Parent Company's financial assets used for liquidity management and liabilities as at December 31, 2024 and 2023 based on contractual undiscounted payments.

	2024			
	3 to 12 Months	**More than 1 Year to 5 Years**	**More than 5 Years**	**Total**
		(In Millions)		
Financial Assets				
Cash and cash equivalents	**₱3,223**	**₱–**	**₱–**	**₱3,223**
Receivables	**263**	**–**	**–**	**263**
Financial assets at FVOCI	**23,910**	**–**	**–**	**23,910**
	27,396	**–**	**–**	**27,396**

(Forward)

	2024			
	3 to 12 Months	**More than 1 Year to 5 Years**	**More than 5 Years**	**Total**
Financial Liabilities				
Accounts payable and other current liabilities*	**₱1,759**	**₱–**	**₱–**	**₱1,759**
Lease liabilities	**1**	**–**	**–**	**1**
Long-term debt, including current portion**	**2,175**	**7,739**	**1,943**	**11,857**
	3,935	**7,739**	**1,943**	**13,617**
Net Financial Assets (Liabilities)	**₱23,461**	**(₱7,739)**	**(₱1,943)**	**₱13,779**

**Excluding statutory taxes amounting to ₱30 million*
***Including interest payments and excluding debt issue costs*

	2023			
	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	Total
		(In Millions)		
Financial Assets				
Cash and cash equivalents	₱2,266	₱–	₱–	₱2,266
Receivables	257	–	–	257
Financial assets at FVOCI	21,047	–	–	21,047
	23,570	–	–	23,570
Financial Liabilities				
Accounts payable and other current liabilities*	₱1,815	₱–	₱–	₱1,815
Lease liabilities	16	2	–	18
Long-term debt, including current portion**	1,772	8,510	2,430	12,712
	3,603	8,512	2,430	14,545
Net Financial Assets (Liabilities)	₱19,967	(₱8,512)	(₱2,430)	₱9,025

**Excluding statutory taxes amounting to ₱28 million*
***Including interest payments and excluding debt issue costs*

Capital Management
The primary objective of the Parent Company's capital management is to ensure that it maintains strong credit rating and capital ratios in order to comply with its loan covenants, support its business operations and maximize shareholder value.

The Parent Company manages and makes adjustments to its capital structure which pertains to its equity as shown in the parent company statement of financial position, and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Parent Company may increase the levels of capital contributions from its creditors and shareholders through debt and new shares issuance, respectively. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Parent Company monitors capital using debt-to-equity ratio, which is total long-term debts divided by total equity. The Parent Company's practice is to keep the debt-to-equity ratio not more than 2:1. Debt to equity ratio as at December 31, 2024 and 2023 is 0.16:1 and 0.19:1, respectively.

The Parent Company is obligated to perform certain covenants with respect to maintaining specified debt-to-equity and minimum debt-service-coverage ratios, as set forth in their respective agreements with the creditors. As at December 31, 2024 and 2023, the Parent Company is in compliance with those covenants.

23. Fair Value Measurement

The following table provides the fair value measurement of the Parent Company's financial assets and liabilities:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
		(In Millions)		
Assets Measured at Fair Value				
Financial assets at FVOCI (Note 7):				
Meralco shares	**₱21,658**	**₱–**	**₱–**	**₱21,658**
Lopez Holdings shares	**1,923**	**–**	**–**	**1,923**
Proprietary membership shares	**279**	**–**	**–**	**279**
Others	**–**	**–**	**50**	**50**
Assets for which Fair Value is Disclosed				
Nonfinancial assets - Investment properties (Note 9)	**–**	**–**	**1,570**	**1,570**
	₱23,860	**₱–**	**₱1,620**	**₱25,480**
Liabilities				
Long-term debt, including current portion (Note 12):				
₱5.0 billion FXCN	**₱–**	**₱–**	**₱2,812**	**₱2,812**
₱5.0 billion FXCN	**–**	**–**	**2,812**	**2,812**
₱1.0 billion FRCN	**–**	**–**	**778**	**778**
₱1.0 billion FRCN	**–**	**–**	**777**	**777**
₱1.0 billion FRCN	**–**	**–**	**777**	**777**
₱313 million FRCN	**–**	**–**	**278**	**278**
₱313 million FRCN	**–**	**–**	**278**	**278**
₱111 million FRCN	**–**	**–**	**99**	**99**
	₱–	**₱–**	**₱8,611**	**₱8,611**

	2023			
	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets Measured at Fair Value				
Financial assets at FVOCI (Note 7):				
Meralco shares	₱17,708	₱–	₱–	₱17,708
Lopez Holdings shares	3,027	–	–	3,027
Proprietary membership shares	262	–	–	262
Others	–	–	50	50
Assets for which Fair Value is Disclosed				
Nonfinancial assets - Investment properties (Note 9)	–	–	1,570	1,570
	₱20,997	₱–	₱1,620	₱22,617
Liabilities				
Long-term debt, including current portion (Note 12):				
₱5.0 billion FXCN	₱–	₱–	₱4,352	₱4,352
₱5.0 billion FXCN	–	–	3,890	3,890
₱1.0 billion FRCN	–	–	887	887
₱1.0 billion FRCN	–	–	886	886
₱1.0 billion FRCN	–	–	834	834
	₱–	₱–	₱10,849	₱10,849

Cash and Cash Equivalents, Receivables (excluding advances to officers and employees) and Accounts Payable and Other Current Liabilities (excluding statutory taxes payable). The carrying amounts approximate fair values primarily due to the relatively short-term maturity of these financial instruments.

Financial Assets at FVOCI. Investments in equity securities which have no fixed maturity date are classified as financial assets at FVOCI. The fair values of such investments that are actively traded in organized financial markets are categorized under Level 1 as these are determined by reference to quoted market bid prices at the close of business on the financial reporting dates.

Investment Properties. The fair values were determined by independent professional appraisers. Fair value is defined as 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 disclosures of the investment properties are categorized under Level 3 as the market for the identical or similar properties is not active.

In conducting the appraisal, the accredited independent appraisers personally inspected the property, investigated local market condition and gave consideration to the reproduction cost (new) of each replaceable asset in accordance with current market prices of materials, labor, manufactured equipment, contractor's overhead, profit and fees, and all other attendant costs associated with its acquisition and installation in place but without provision for overtime or bonuses for labor and premiums for materials; accrued depreciation as evidenced by observed condition; extent, character and utility of the property; sales or listings and offerings of comparable land; and highest and best use of the property.

Long-term Debt. Fair values of long-term debt are categorized under Level 3 as these were computed by discounting the instruments' expected future cash flows using the prevailing credit-adjusted PH BVAL rates ranging from 5.96% to 6.43% in 2024 and 5.12% to 6.12% % in 2023.

During the years ended December 31, 2024 and 2023, 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.

24. Changes in Liabilities Arising from Financing Activities

	January 1, 2024	**Cash Flows**	**Others**	**December 31, 2024**
Current and noncurrent portion of long-term debt (Note 12)	**₱11,104**	**(₱736)**	**(₱3)**	**₱10,365**
Accrued interest payable (Note 11)	**81**	**(637)**	**633**	**77**
Dividends payable (Notes 11 and 13)	**363**	**(991)**	**1,019**	**391**
Lease liabilities (Note 21)	**18**	**(17)**	**–**	**1**
Buyback of common stock (Note 13)	**–**	**(54)**	**54**	**–**
	₱11,566	**(₱2,435)**	**₱1,703**	**₱10,834**

	January 1, 2023	Cash Flows	Others	December 31, 2023
Current and noncurrent portion of long-term debt (Note 12)	₱10,367	₱750	(₱13)	₱11,104
Accrued interest payable (Note 11)	62	(585)	604	81
Dividends payable (Notes 11 and 13)	338	(1,001)	1,026	363
Lease liabilities (Note 21)	34	(17)	1	18
Buyback of common stock (Note 13)	–	(545)	545	–
	₱10,801	(₱1,398)	₱2,163	₱11,566

"Others" include the amortization of debt issue costs, the effect of reclassification of noncurrent portion of long-term debt, accrual of dividends, effect of accrued interest on long-term debts that were not yet paid and buyback of common stock as at December 31, 2024 and 2023. The Parent Company classifies interest paid as part of cash flows from financing activities.

25. Operating Segment Information

Operating segments are components of the Parent Company (a) that engage in business activities from which they may earn revenues and incur expenses; (b) with operating results which are regularly reviewed by the Parent Company's chief operating decision-maker (the BOD) to make decisions about how resources are to be allocated to the segment and assess their performances; and (c) for which discrete financial information is available.

The operating businesses of the Parent Company's subsidiaries are organized and managed separately according to the nature of the products and services, with each segment representing a strategic business unit that offers different products and serves different markets.

The Parent Company conducts majority of its business activities in the following areas:

- Power generation - power generation subsidiaries under First Gen
- Real estate development - residential and commercial real estate development and leasing of Rockwell Land and sale of industrial lots and leasing of ready-built factories by FPIP and FITI
- Energy Solutions - Pi Energy, FP Island and FPI
- Construction and other services - construction, geothermal well drilling, oil transporting, healthcare product services, education, investment holdings, financing and others

Segment revenue, segment expenses and segment performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar products. Such transfers are eliminated in consolidation.

The operations of these business segments are substantially in the Philippines. First Gen's revenues are substantially generated from sale of electricity to Meralco, the sole customer of FGP, FGPC and FNPC (until February 2024); while close to 3.1% and 2.7% in 2024 and 2023, respectively, of Energy Development Corporation's total revenues are derived from its then existing long-term power purchase agreement with National Power Corporation. FPI's revenues are also substantially generated from its sale of transformer equipment to Meralco.

Financial information about the business segments follows:

	2024					
	Power Generation	**Real Estate Development**	**Energy Solutions**	**Construction and Other Services**	**Reconciliation**	**Parent Company Financial Statements**
Revenues:						
External sales	**₱137,337**	**₱19,132**	**₱5,663**	**₱4,978**	**(₱162,302)**	**₱4,808**
Inter-segment sales	**–**	**–**	**–**	**11,212**	**(11,212)**	**–**
Equity in net earnings of associates and joint ventures	**(26)**	**381**	**–**	**14,982**	**(15,337)**	**–**
Total revenues	**137,311**	**19,513**	**5,663**	**31,172**	**(188,851)**	**4,808**
Costs and expenses	**(93,202)**	**(13,016)**	**(4,182)**	**(15,012)**	**124,476**	**(936)**
Depreciation and amortization	**(15,907)**	**(1,148)**	**(105)**	**(1,158)**	**18,264**	**(54)**
Finance income	**(6,511)**	**(1,869)**	**(47)**	**(964)**	**9,476**	**85**
Finance costs	**1,665**	**534**	**45**	**110**	**(2,991)**	**(637)**
Foreign exchange gain (loss)	**362**	**(13)**	**47**	**64**	**(438)**	**22**
Other income (charges)	**256**	**1,582**	**12**	**2,003**	**(3,299)**	**554**
Income before income tax	**23,974**	**5,583**	**1,433**	**16,215**	**(43,363)**	**3,842**
Provision for income tax	**4,709**	**1,257**	**275**	**364**	**(6,594)**	**11**
Net income (loss)	**₱19,265**	**₱4,326**	**₱1,158**	**₱15,851**	**(₱36,769)**	**₱3,831**

	2023					
	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Reconciliation	Parent Company Financial Statements
Revenues:						
External sales	₱137,691	₱16,184	₱5,368	₱5,709	(₱160,398)	₱4,554
Inter-segment sales	–	–	–	4,838	(4,838)	–
Equity in net earnings of associates and joint ventures	(28)	464	–	15,361	(15,797)	–
Total revenues	137,663	16,648	5,368	25,908	(181,033)	4,554
Costs and expenses	(94,289)	(12,383)	(4,067)	(10,644)	120,334	(1,049)
Depreciation and amortization	(12,767)	(994)	(68)	(929)	14,714	(44)
Finance income	1,881	2,054	40	143	(3,997)	121
Finance costs	(5,527)	(1,700)	(27)	(853)	7,515	(592)
Foreign exchange gain (loss)	9	(4)	(10)	(12)	25	8
Other income (charges)	2,536	919	11	1,839	(4,779)	526
Income before income tax	29,506	4,540	1,247	15,452	(47,221)	3,524
Provision for income tax	4,508	913	232	91	(5,736)	8
Net income (loss)	₱24,998	₱3,627	₱1,015	₱15,361	(₱41,485)	₱3,516

Other financial information of the business segments are as follows:

	As at December 31, 2024					
	Power Generation	**Real Estate Development**	**Energy Solutions**	**Construction and Other Services**	**Reconciliation**	**Parent Company Financial Statements**
Current assets	**₱91,724**	**₱51,752**	**₱4,002**	**₱19,611**	**(₱163,569)**	**₱3,520**
Noncurrent assets	**289,747**	**39,354**	**2,108**	**198,790**	**(455,657)**	**74,342**
Total assets	**₱381,471**	**₱91,106**	**₱6,110**	**₱218,401**	**(₱619,226)**	**₱77,862**
Current liabilities	**₱63,218**	**₱16,964**	**₱3,023**	**₱16,368**	**(₱96,010)**	**₱3,563**
Noncurrent liabilities	**118,739**	**32,700**	**526**	**12,825**	**(155,460)**	**9,330**
Total liabilities	**₱181,957**	**₱49,664**	**₱3,549**	**₱29,193**	**(₱251,470)**	**₱12,893**
Other Disclosures:						
Investments in associates and joint ventures	**₱1,142**	**₱5,175**	**₱32**	**₱53**	**(₱6,402)**	**₱–**
Goodwill and intangible assets	**67,422**	**–**	**–**	**–**	**(67,422)**	**–**
Additions to:						
Property, plant and equipment	**₱40,754**	**₱888**	**₱208**	**₱3,545**	**(45,363)**	**32**
Investment properties	**–**	**1,682**	**–**	**194**	**(1,876)**	**–**
Exploration and evaluation assets	**493**	**–**	**–**	**–**	**(493)**	**–**

	As at December 31, 2023					
	Power Generation	Real Estate Development	Energy Solutions	Construction and Other Services	Reconciliation	Parent Company Financial Statements
Current assets	₱103,683	₱48,798	₱3,478	₱15,161	(₱168,499)	₱2,621
Noncurrent assets	235,550	35,549	1,635	180,617	(383,004)	70,347
Total assets	₱339,233	₱84,347	₱5,113	₱195,778	(₱551,503)	₱72,968
Current liabilities	₱71,387	₱14,980	₱2,268	₱11,684	(₱96,990)	₱3,329
Noncurrent liabilities	85,063	31,142	863	13,572	(120,330)	10,310
Total liabilities	₱156,450	₱46,122	₱3,131	₱25,256	(₱220,181)	₱13,639
Other Disclosures:						
Investments in associates and joint ventures	₱1,225	₱6,215	₱13	₱88	(₱7,541)	₱–
Goodwill and intangible assets	49,186	–	–	–	(49,186)	–
Additions to:						
Property, plant and equipment	₱21,972	₱724	₱276	₱1,457	(24,381)	48
Investment properties	–	895	–	88	(983)	–
Exploration and evaluation assets	116	–	–	–	(116)	–

26. **Standards Issued but Not yet Effective**

Pronouncements issued but not yet effective are listed below. The Parent Company does not expect that the future adoption of the said pronouncements to have a significant impact on the parent company financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards - Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9
  a) Lessee Derecognition of Lease Liabilities
     The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  b) Transaction Price
     The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*
  The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts
    On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. On February 14, 2025, the FSRSC further amended the mandatory effective date of PFRS 17 from January 1, 2025 to January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission which deferred the implementation of PFRS 17 to January 1, 2027.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards. The application of the standard is optional for eligible entities.

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*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

27. Supplementary Information Required Under Revenue Regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended December 31, 2024 (amounts in millions).

a. Output Value-Added Tax (VAT)

Net Sales/Receipts and Output VAT declared in the Parent Company's VAT returns:

	Net Sales	Output VAT
Taxable sales (subject to 12% VAT) - Consultancy and Other Services / Rental income / Sale of equipment	₱564	₱68
Zero-rated sales	13	–
	₱577	₱68

Zero-rated sales pertain to gross receipts/collections of rental fees on the lease of warehouse to a PEZA-registered facilities enterprise which are VAT zero-rated transactions pursuant to R.A. 7916.

b. Input VAT

	Amount
As at January 1	₱51
Current year's domestic purchases/payments for:	
Services lodged under other accounts	30
Adjustments:	
Applied against output VAT	(68)
As at December 31	₱13

c. Importations and Excise Taxes

The Parent Company has no locally produced or imported excisable item, landed cost of imports, custom duties and tariff fees paid or accrued as at December 31, 2024.

d. Withholding Taxes

	Paid	Accrued	Total
Withholding tax on compensation and benefits (WTC)	₱93	₱14	₱107
Expanded withholding tax (EWT)	32	2	34
Final withholding tax (FWT)	15	13	28
	₱140	₱29	₱169

e. Taxes and Licenses

Real property taxes	₱4
Fringe benefit tax (FBT)	4
Annual listing maintenance fee in PSE	2
Business Permit	1
Others	1
	₱12

f. Documentary Stamp Tax (DST)

The Parent Company has no DST payments for the year ended December 31, 2024.

g. Status of Tax Assessments and Court Cases

As at December 31, 2024, the Parent Company has no other outstanding final assessment notice from the BIR nor does it have any pending tax cases outside the administration of the BIR.

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
First Philippine Holdings Corporation
6th Floor Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City

We have audited the financial statements of First Philippine Holdings Corporation (the Parent Company), as at December 31, 2024 and for the year then ended, on which we have rendered the attached report dated March 27, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has eight thousand six hundred seven (8,530) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465361, January 2, 2025, Makati City

March 27, 2025

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2024

First Philippine Holdings Corporation
6th Floor, Rockwell Business Center Tower 3,
Ortigas Avenue, Pasig City

Unappropriated retained earnings, beginning of the period		**₱16,267**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others (describe nature)	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,019	
Reversal of retained earnings appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Treasury shares	9,700	10,719
Unappropriated Retained Earnings, as adjusted		**5,548**
Add: Net Income for the current year		**3,831**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of investment property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of investment property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		

(Forward)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to- market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of investment property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	–	
Sub-total		–
Adjusted Net Income		**3,831**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(54)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set- up of service concession asset and concession payable	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Unrealized actuarial gain	–	
Sub-total		**(54)**
TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION, END OF REPORTING PERIOD		**₱9,325**

EXHIBIT "B"

REVISED SRC RULE 68 (SCHEDULES)

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

INDEX TO REVISED SRC RULE 68 (SCHEDULES)

FORM 17A, Item 7

Revised SRC Rule 68 (Schedules)

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* *These schedules, which are required by Revised SRC Rule 68, have been omitted because they are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or notes thereto.*

Receivables from certain officers and employees were made in the ordinary course of business.

The Company is not a financial guarantor of obligations of any unconsolidated entity.

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
First Philippine Holdings Corporation
6th Floor, Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Philippine Holdings Corporation 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, included in this Form 17-A and have issued our report thereon dated March 27, 2025. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with 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 information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465361, January 2, 2025, Makati City

March 27, 2025

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
DECEMBER 31, 2024
(Amounts are presented in Php millions, except number of shares)

Financial Assets	Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotations at Statement of Financial Position Date	Income Received and Accrued
Other Current Financial Assets:					
Financial assets at FVPL:					
FVPL investments	Various	N/A	₱68	N/A	₱–
Financial assets accounted for as cash flow hedge:					
Derivative assets	N/A	N/A	14	N/A	–*
Financial Assets at Amortized Cost					
Cash and cash equivalents	N/A	N/A	52,728	N/A	1,719*
Short-term investments	N/A	N/A	200	N/A	
Trade and other receivables	N/A	N/A	36,544	N/A	345
Refundable deposits	N/A	N/A	187	N/A	–
Restricted cash	N/A	N/A	52	N/A	–
Financial Assets at FVOCI					
Financial assets at FVOCI					
Investment in equity securities					
Quoted equity securities - Meralco	Meralco	44,475,706	21,704	21,704	958
Quoted equity securities - Lopez Holdings	Lopes Holdings	712,206,016	1,923	1,923	71
Quoted equity securities - Others	Various	Various	132	132	–
Quoted government debt securities	–	N/A	187	187	–
Unquoted equity securities	Narra ventures and others	N/A	647	N/A	–
Proprietary membership	Various	Various	326	326	–
Other Noncurrent Financial Assets:					
Financial Assets at Amortized Cost:					
Special deposits and funds	N/A	N/A	43	N/A	–
Long-term receivables	N/A	N/A	1,836	N/A	–
			₱116,591		**₱3,093**

** Total income accrued and received for cash and cash equivalents and short-term investments*

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Php millions)

Receivable to Name of Subsidiary/ Counterparty	Beginning Balance	Additions	Deductions		Reclassifications	Ending Balance		Amount Eliminated
			Collections	Write-off		Current	Non-Current	
First Philippine Holdings Corp.	₱268	₱4,306	(₱4,307)	₱–	₱–	₱267	₱–	₱267
First Balfour Group	872	10,178	(10,719)	–	–	331	–	331
First Philippine Properties Group	107	–	–	–	–	107	–	107
First Philippine Industrial Park Group	1	14	(14)	–	–	1	–	1
First Gen Group	15	–	–	–	–	15	–	15
First Philippine Realty Corp.	10	21	(27)	–	–	4	–	4
Pi Health Inc.	–	5	(5)	–	–	–	–	–
InfoPro Business Solutions Inc.	68	379	(351)	–	–	96	–	96
Pi Health Manufacturing Distribution and Services, Inc.	3	10	(11)	–	–	2	–	2
	₱1,344	**₱14,913**	**(₱15,434)**	**₱–**	**₱–**	**₱823**	**₱–**	**₱823**

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE D- LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Php millions)

Name of Issuer and Type of Obligation	Total Loans	Amount Shown as Current	Amount Shown as Long-term
Parent Company			
₱5,000 million Fixed Rate Corporate Notes (FXCN)	₱3,438	₱625	₱2,813
₱5,000 million FXCN	3,438	625	2,813
₱1,000 million Floating Rate Corporate Notes (FRCN)	883	110	773
₱1,000 million FXCN	883	110	773
₱1,000 million FRCN	993	221	772
₱312.5 million FRCN	310	35	275
₱312.5 million FRCN	310	35	275
₱111 million FRCN	110	12	98
Power Generation Companies			
First Gen			
$200 million Term Loan	1,561	1,561	–
₱2.5 billion BDO Term Loan	1,754	103	1,651
₱2.5 billion BPI Term Loan	1,754	313	1,441
₱10.0 billion BDO Term Loan	9,932	–	9,932
₱10.0 billion BPI Term Loan	9,932	–	9,932
FGP's Term loan facility with various local banks	7,886	2,986	4,900
FNPC's $265 million Export Credit Facility	3,759	1,049	2,710
EDC:			
International Finance Corp (IFC)			
IFC - ₱3.3 billion	245	245	–
IFC - ₱4.8 billion	2,784	325	2,459
EBWPC Loans			
BDO ₱2.7 billion Term Loan	2,680	–	2,680
Mizuho $80 million Term Loan	4,542	260	4,282
Term Loans			
DBP ₱291.2 million Term Loan	134	22	112
UBP ₱1.5 billion Term Loan	899	299	600
Security Bank ₱1.0 billion Term Loan	727	59	668
UBP ₱2.0 billion Term Loan	997	133	864
Security Bank ₱3.0 billion Term Loan	899	359	540
Security Bank ₱500 million Term Loan	249	33	216
BPI ₱1.0 billion Term Loan	300	120	180
Security Bank ₱1.0 billion Term Loan	498	66	432
BPI ₱6.0 billion Term Loan			
₱3.0 billion Term Loan	1,942	327	1,615
₱3.0 billion Term Loan	1,942	327	1,615
BDO ₱4.5 billion Term Loan	2,965	536	2,429
BDO ₱2.0 billion Term Loan	1,317	238	1,079
BPI ₱7.0 billion Term Loan	5,919	693	5,226
UBP ₱1.0 billion Term Loan	746	99	647
Mizuho $50 million Term Loan	2,889	1,445	1,444
SBC ₱2.6 billion Term Loan	1,939	257	1,682
CTBC ₱1.5 billion Term Loan	1,118	147	971
BDO ₱5.0 billion Term Loan	4,618	494	4,124
CBC ₱4.0 billion Term Loan	3,189	396	2,793
BDO ₱5.0 billion Term Loan	3,982	496	3,486
BPI ₱3.0 billion Term Loan	2,978	–	2,978
BDO ₱3.0 billion Term Loan	2,978	295	2,683
CTBC $50 million Term Loan	2,857	567	2,290
CBC ₱3.0 billion Term Loan	2,978	296	2,682
Mizuho $50 million Term Loan	2,842	562	2,280

Fixed Rate ASEAN Green Bonds			
Series B	2,489	–	2,489
Series C	2,967	–	2,967
Series D	3,458	–	3,458
Series E	3,457	–	3,457
Real Estate Development			
Rockwell Land:			
Term Loans of Rockwell Land and Retailscapes	29,153	4,729	24,424
FPIP Group:			
BPI ₱1,000 million	559	109	450
BPI ₱1,200 million	996	116	880
BPI ₱400 million	353	–	353
BPI ₱300 million	298	33	265
BPI ₱1,500 million	696	78	618
BPI ₱150 million	150	–	150
FBHC			
BDO ₱2 million	2	2	–
Construction and Other Services			
First Balfour			
PNB ₱750 million Loan	337	75	262
BDO ₱500 million Loan	300	50	250
BDO ₱725 million Loan	558	75	483
BDO ₱275 million Loan	228	31	197
BPI ₱1,000 million Loan	360	280	80
Thermaprime Drilling Corporation			
BDO ₱2,000 million Loan	1,156	253	903
Energy Solutions			
First Philec Inc.			
₱500 million	500	83	417
	₱157,113	₱22,795	₱134,318

***Note**: Balances shown are already net of the unamortized portion of debt issuance costs as of December 31, 2024 in compliance with PAS 32, "Financial Instruments: Presentation." Please refer to Note 18 to the consolidated financial statements for additional information.*

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related Parties (a)	Directors, Officers and Employees (b)	Others
Common Stocks	1,210,000,000	462,713,791	–	257,532,063	11,933,043	193,248,685
Preferred*	107,000,000	–	–	–	–	–

**In June 2021, the Company fully redeemed and cancelled the 3,600,000 Series "C" Perpetual Preferred Shares that was previously issued and outstanding.*

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024

First Philippine Holdings Corporation
6th Floor, Rockwell Business Center Tower 3,
Ortigas Avenue, Pasig City

Unappropriated retained earnings, beginning of the period		**₱16,267**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others (describe nature)	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,019	
Reversal of retained earnings appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Treasury shares	9,700	**10,719**
Unappropriated Retained Earnings, as adjusted		**5,548**
Add: Net Income for the current year		**3,831**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of investment property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of investment property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–

(Forward)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of investment property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	–	
Sub-total		–
Adjusted Net Income		**3,831**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(54)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set up of service concession asset and concession payable	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Unrealized actuarial gain	–	
Sub-total		**(54)**
TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION, END OF REPORTING PERIOD		**₱9,325**

KEY PERFORMANCE INDICATORS

The following are the key performance indicators of the Group:

Performance Indicator	December 31	
	2024	2023
Return on Average Shareholders' Equity*	8.64%	10.06%
Interest Coverage Ratio	4.33	5.29
Basic & Diluted Earnings per Share	₱30.89	₱32.22

Return on Average Equity ratio declined from 10.06% in 2023 to 8.64% this year mainly caused by the decrease in earnings attributable to Parent by ₱750 million or 5% (from ₱15.1 billion to ₱14.3 billion) coupled with an increase in average stockholders' equity attributable to Parent by ₱16.0 billion or 11% (from ₱149.7 billion to ₱165.7 billion).

Interest coverage ratio dropped from 5.29 in 2023 to 4.33 this year reflecting the increase in finance cost by ₱1.3 billion or 16% (from ₱8.1 billion to ₱9.4 billion) and lagged by the reduction in earnings before interest and tax by ₱2.2 billion or 5% (from ₱42.8 billion to ₱40.6 billion) .

Earnings per common share (basic & diluted) decreased by ₱1.33 or 4% from ₱32.22 in 2023 to ₱30.89 in 2024 following the lower consolidated net income attributable to equity holders of the Parent, partly toned down by lower weighted average number of issued and outstanding shares at year-end due to the shares bought back by the Parent during the year.

Performance Indicator	December 31 2024	December 31 2023
Asset to Equity Ratio	1.94	1.93
Debt to Equity Ratio	0.59	0.54
Current Ratio	1.73	1.74
Quick Ratio	1.02	1.14
Book Value per Common Share*	₱374.99	₱340.71

The ratio of total assets to total equity slightly improved from 1.93 in 2023 to 1.94 this year driven by the offsetting effect of simultaneous increase of ₱54.7 billion or 12% in total assets (from ₱472.2 billion to ₱526.9 billion), and of ₱26.1 billion or 11% in total equity (from ₱244.9 billion to ₱271.0 billion). The significant increase in total equity was mainly attributable to the ₱12.7 billion or 8% growth in retained earnings attributable to equity holders of the Parent, coupled with the ₱2.9 billion increase in the accumulated unrealized fair value gains on financial assets at FVOCI as at end-2024 and the favorable decline of ₱1.4 billion pertaining to cumulative translation adjustments. Meanwhile, the increase in trade receivables, inventories, property, plant and equipment, intangible assets, and other noncurrent assets, such as contract assets, primarily contributed to the growth in total assets in 2024.

Debt to equity ratio rose from 0.54:1 in 2023 to 0.59:1 in 2024 mainly due to the ₱28.9 billion or 22% increase in interest-bearing debt (from ₱132.1 billion to ₱161.0 billion). This unfavorable movement was partly mitigated by the parallel increase in total equity during the year as discussed in details above.

Current ratio slightly declined at 1.73:1 in 2024 from 1.74:1 last year on account of the concurrent decline in total current assets by ₱3.4 billion or 2% (from ₱166.8 billion to ₱163.4 billion) and total current liabilities by ₱1.7 billion or 2% (from ₱96.1 billion to ₱94.4 billion). The decrease in total current assets is traceable to the significant reduction in the balance of cash and cash equivalents and short-term investments, partly offset by the increase in trade receivables and inventories. While the decline in total current liabilities is attributable to partial settlement of short-term loans.

On the contrary, the Quick ratio dropped by 10% from 1.14:1 in 2023 to 1.02:1 in 2024 on the back of lower liquid assets balance of the Company particularly the cash and cash equivalents and short-term investments at year-end.

Book value per common share grew from ₱340.71 in 2023 to ₱374.99 this year. The increase was brought about by the ₱15.5 billion or 10% increase in equity attributable to equity holders of the parent for the current year (from ₱158.0 billion to ₱173.5 billion), which mostly reflects the net income generated for year together with the reduction in outstanding shares at year-end due to additional buybacks in 2024.

The following are key performance indicators of First Gen group (consolidated):

Performance Indicator	December 31 2024	December 31 2023
Current Ratio	1.45	1.45
Asset to Equity Ratio	1.91	1.86
Debt to Equity Ratio	0.91	0.86
Quick Ratio	1.10	1.14
Return on Assets (%)	5.31	7.81
Return on Equity (%)	10.01	14.35
Interest-bearing Debt to Equity Ratio (times)	0.57	0.48

The following are EDC group's (consolidated) key performance indicators:

Performance Indicator	December 31 2024	December 31 2023
Current Ratio	1.15	1.31
Debt to equity Ratio	0.87	0.67
Net debt to equity Ratio	0.71	0.46
Return on Assets (%)	5.14	9.10
Return on Equity (%)	10.96	18.11
Solvency Ratio	0.23	0.39
Interest Rate Coverage Ratio	3.74	5.78
Asset-to-Equity Ratio	2.27	1.99

The following are the key performance indicators of the Rockwell Land:

Performance Indicator	December 31 2024	December 31 2023
EBITDA	₱7.6 billion	₱6.8 billion
Current ratio	3.26	3.43
Net debt to equity ratio	0.70	0.67
Asset to equity ratio	2.28	2.31
Interest coverage ratio	4.48	4.57
Return on assets	5.30%	4.71%
Return on equity	12.08%	11.36%
EPS	₱0.61	₱0.51

Key Performance Indicator/ Description

Return on Average Equity Shareholders' Equity
Net income attributable to Parent divided by average shareholders' equity. This ratio reflects how much the firm has earned on the funds invested by the shareholders

Interest Rate Coverage Ratio
Earnings before interest and taxes for the period divided by interest expenses of the same period. This ratio determines how easily a company can pay interest on outstanding debt.

Earnings Per Share
Net income attributable to Parent divided by the weighted average shares outstanding. This measures the portion of Group's profit allocated to each outstanding share of common stock

Asset to Equity Ratio
Total assets divided by total stockholders' equity. This ratio shows the Group's leverage, the amount of debt used to finance the firm.

Debt to Equity Ratio
Total interest-bearing debts divided by stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners.

Current Ratio
Total current assets divided by total current liabilities. This ratio is a rough indication of a company's ability to pay its short-term obligations.

Quick Ratio
Current assets (excluding inventories and others) divided by current liabilities. This is an indicator of the Group's ability to pay short-term obligations with its most liquid assets (cash and cash equivalents, short-term investments and trade and other receivables)

Book Value Per Share
Equity attributable to Parent divided by the number of shares outstanding at period end. Measure used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid

Net Debt to Equity Ratio
Total interest-bearing debts less cash & cash equivalents divided by stockholders' equity. This ratio measures the company's financial leverage and stability. A negative net debt-to-equity ratio means that the total of cash and cash equivalents exceeds interest-bearing liabilities.

Return on Assets
Net income (annual basis) divided by total assets (average). This ratio indicates how profitable a company is relative to its total assets. This also gives an idea as to how efficient management is at using its assets to generate earnings.

Return on Equity
Net income (annual basis) divided by total stockholders' equity (average). This ratio reveals how much profit a company earned in comparison to the total amount of shareholder equity found on the balance sheet.

Interest Rate Coverage Ratio
Earnings before interest and taxes of one period divided by interest expenses of the same period. This ratio determines how easily a company can pay interest on outstanding debt.

Asset-to-Equity Ratio
Total assets divided by total stockholders' equity. This ratio shows a company's leverage, the amount of debt used to finance the firm.

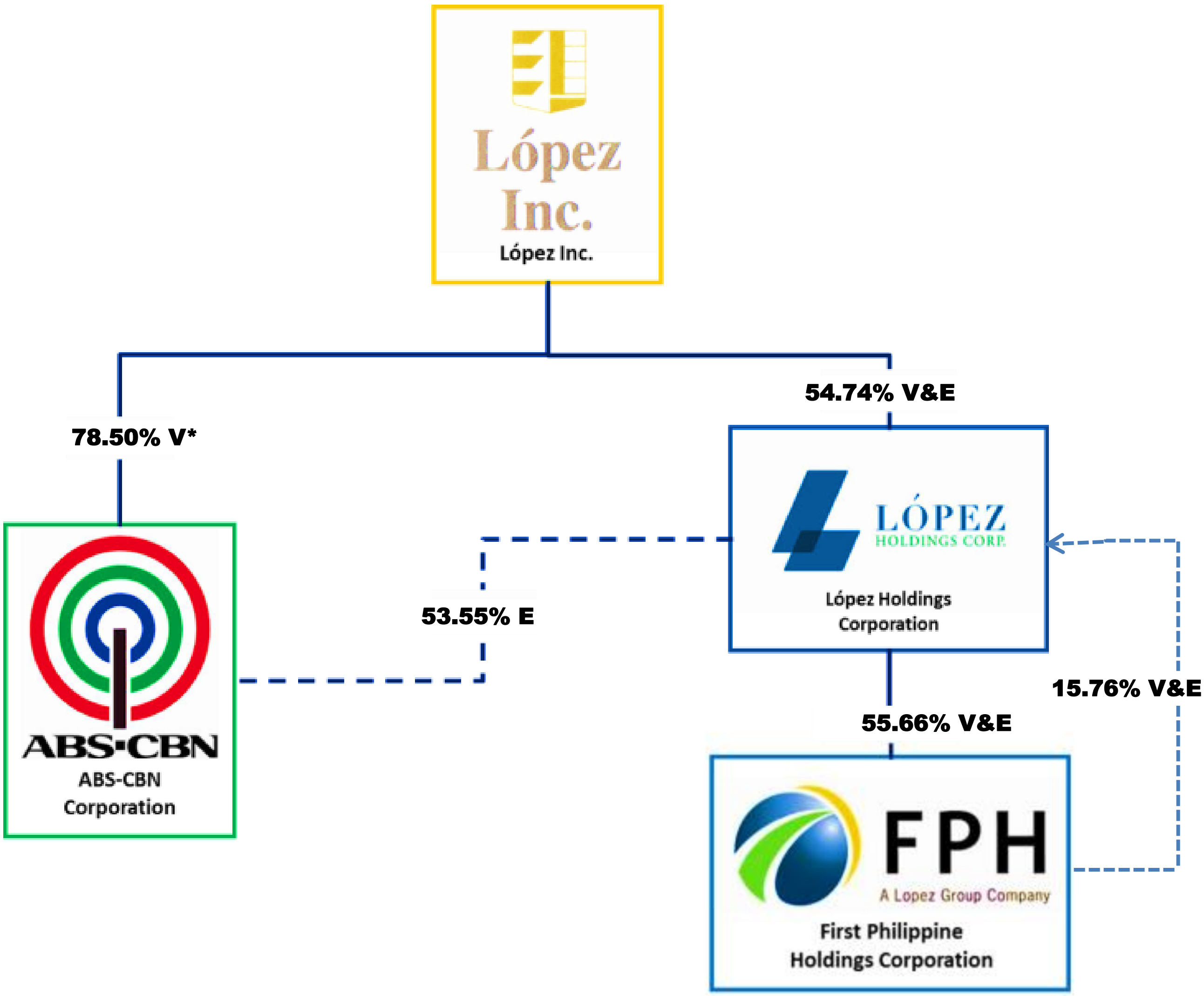
Solvency Ratio
Net income excluding depreciation and non-cash provisions divided by total debt obligations. This ratio gauges a company's ability to meet its long-term obligations.

Interest-bearing Debt to Equity Ratio (times)
Calculated by dividing total interest-bearing debt over total equity. This ratio measures the percentage of funds provided by the lenders/creditors.

* - *Equity pertains to equity attributable to equity holders of the parent in the Consolidated Financial Statements and excludes cumulative translation adjustments, share in other comprehensive income, effect of equity transaction of subsidiaries and excess of acquisition cost over carrying value of minority interest.*

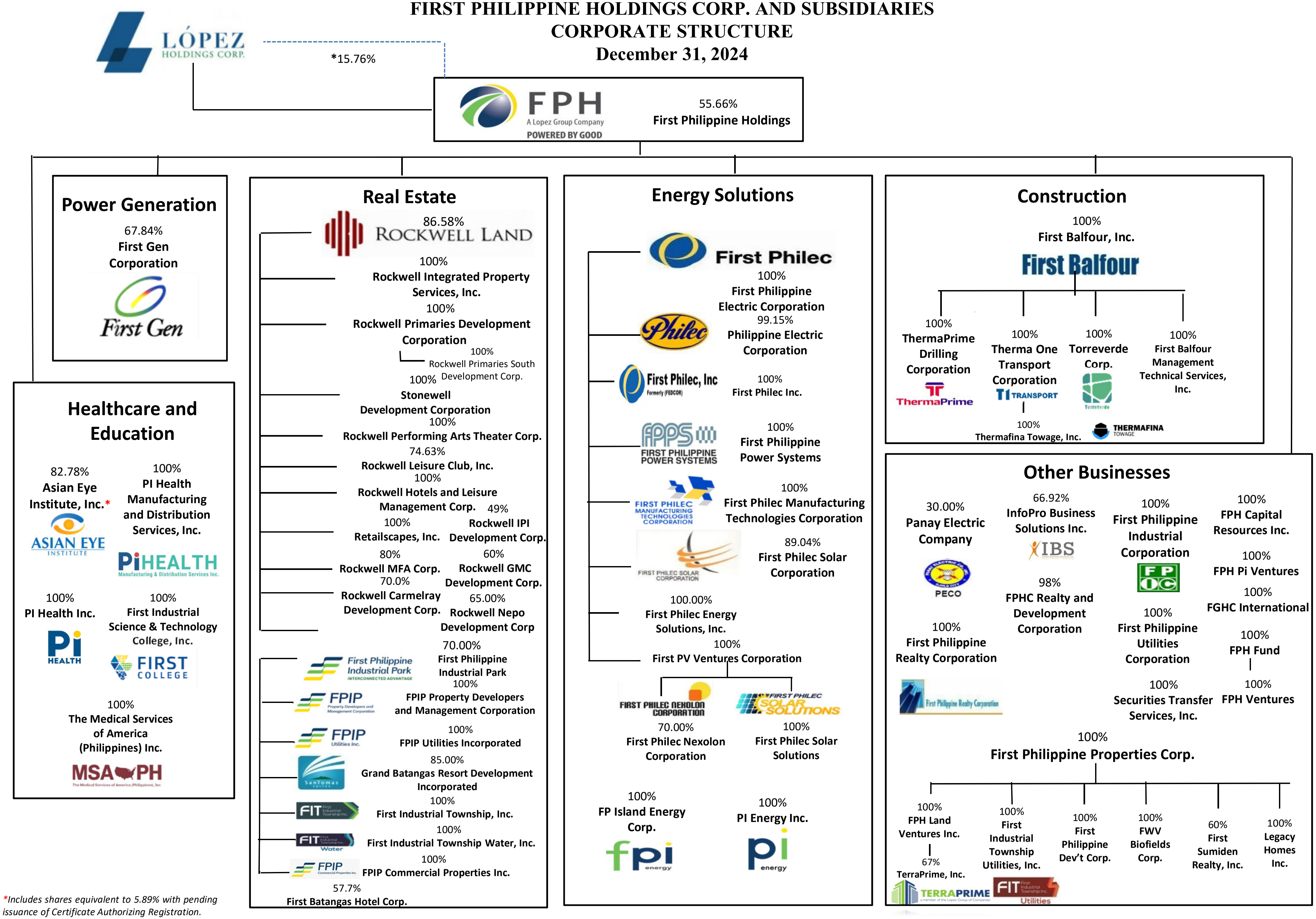
* * * * *

LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP
DECEMBER 31, 2024

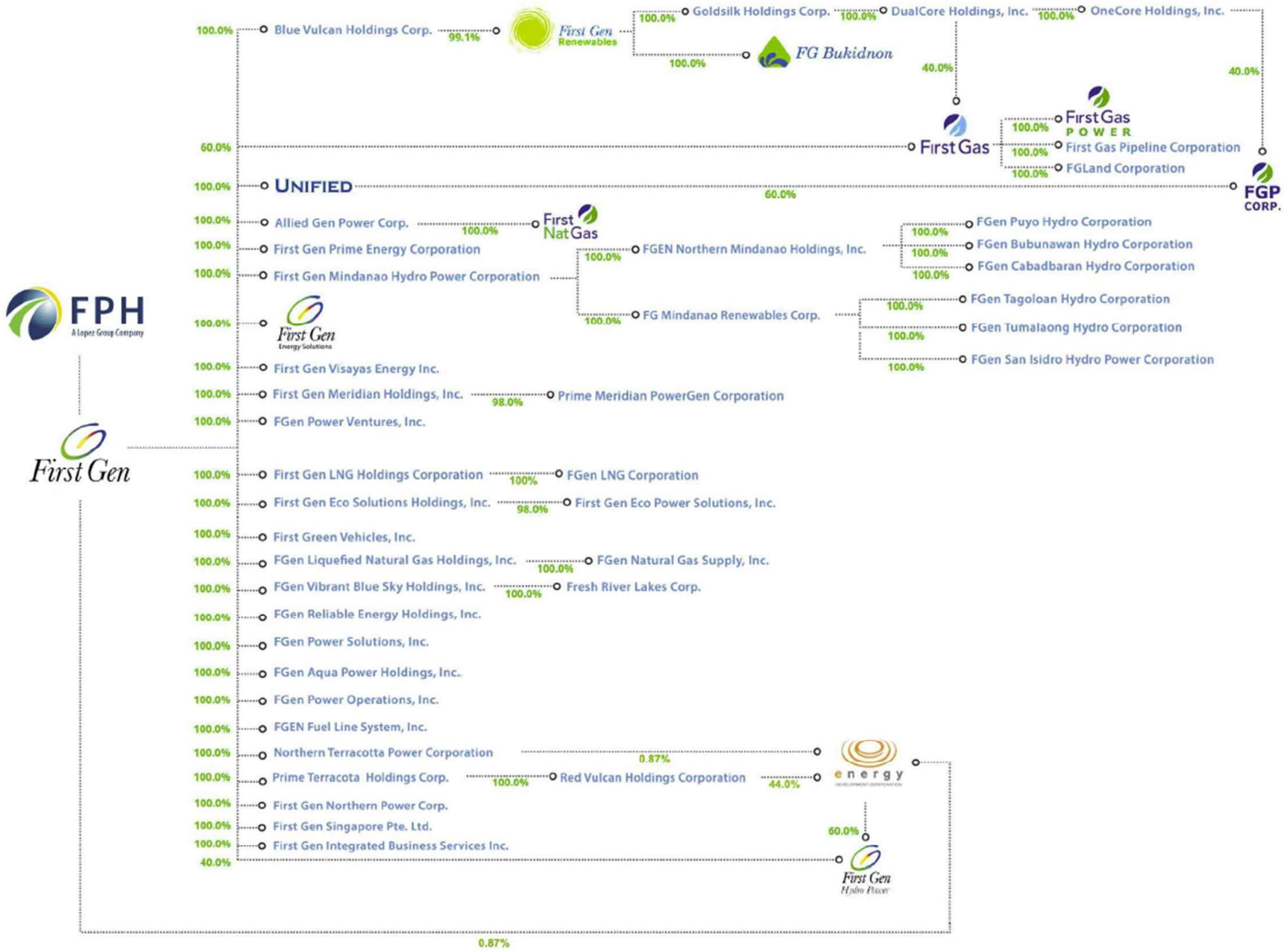


* *voting rights include preferred shares*

FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
December 31, 2024



*Includes shares equivalent to 5.89% with pending issuance of Certificate Authorizing Registration.



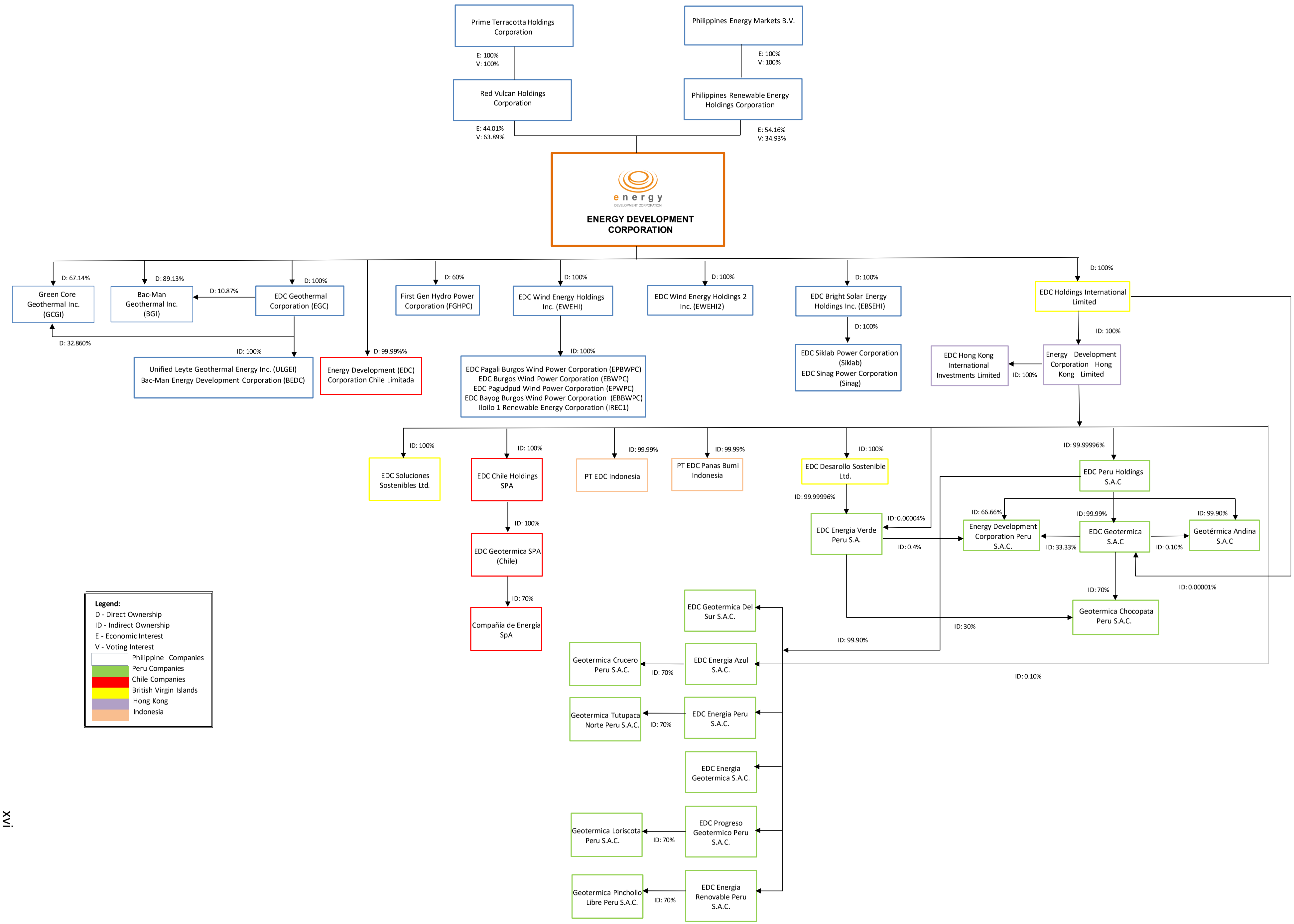
Legend:

- FPH - First Philippine Holdings Corporation
- First Gen - First Gen Corporation
- First Gas - First Gas Holdings Corporation
- First Gas POWER - First Gas Power Corporation
- UNIFIED - Unified Holdings Corporation
- FGP CORP. - FGP Corp.
- First NatGas - First NatGas Power Corp.
- First Gen Energy Solutions - First Gen Energy Solutions Inc.
- First Gen Renewables - First Gen Renewables Inc.
- FG Bukidnon - FG Bukidnon Power Corporation
- energy - Energy Development Corporation
- First Gen Hydro Power - First Gen Hydro Power Corporation

*Corporate Structure as of December 31, 2024

Ownership Structure of Energy Development Corporation

(As of December 31, 2024)



SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and the Stockholders
First Philippine Holdings Corporation
6th Floor, Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Philippine Holdings Corporation 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 March 27, 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 Components of 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.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465361, January 2, 2025, Makati City

March 27, 2025

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

First Philippine Holdings Corporation and Subsidiaries

Ratio	Formula	December 2024	December 2023
Liquidity Ratio			
Current ratio	Total current assets divided by total current liabilities.	1.73	1.74
Quick Ratio	Current assets (excluding inventories and others) divided by current liabilities.	1.02	1.14
Solvency Ratio / Financial Leverage Ratio			
Debt to Equity Ratio	Total interest-bearing debts divided by stockholders' equity.	0.59	0.54
Interest Coverage Ratio	Earnings before interest and taxes for the period divided by interest expenses of the same period.	4.33	5.29
Asset to Equity Ratio	Total assets divided by total stockholders' equity.	1.94	1.93
Profitability Ratio			
Return on Average Shareholders' Equity	Net income attributable to Parent divided by average shareholders' equity.	8.64%	10.06%
Return on Assets	Net income (annual basis) divided by total assets (average).	4.95%	6.50%

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL
AUDITOR FEE- RELATED INFORMATION
DECEMBER 31, 2024

	Years Ended December 31		
(Amounts in PHP and in millions)	**2024**	2023	2022
Total Audit Fees (Section 2.1a)[1]	**₱54**	₱50	₱47
Non-audit service fees:			
Other assurance services	**14**	6	6
Tax services	**6**	6	5
All other services	**4**	8	5
Total Non-audit Fees (Section 2.1b)[2]	**24**	20	16
Total Audit and Non-audit Fees	**₱78**	₱70	₱63

Audit and Non-audit fees of other related entities (Section 2.1c)[3]

	Years Ended December 31		
(Amounts in USD and in thousands)	**2024**	2023	2022
Audit Fees	**₱–**	₱–	₱–
Non-audit service fees:			
Other assurance services	**–**	–	–
Tax services	**–**	–	–
All other services	**–**	–	–
Total Non-audit Fees (Section 2.1b)[2]	**–**	–	–
Total Audit and Non-audit Fees of other related entities	**₱–**	₱–	₱–

(1) Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purposes audit or review of financial statements.

(2) Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These included other assurance services such as special purpose audit or review of financial statements.

(3) Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company’s, those charged with governance or equivalent (e.g. Audit Committee)

Other Financial Information

(i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity increasing or decreasing in any material way.*

There were no known trends, demands, commitments, events or uncertainties that have had or reasonably expected to have material effect on the Parent Company's liquidity.

(ii) *Any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.*

The registrant's current financing arrangements include standard provisions relating to events of default. Any breach of the loan covenants or material adverse change may result in an event of default. The Parent Company is in compliance with its loan covenants during the reporting period.

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

The Company did not enter into any material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons during the reporting period.

(iv) *Any material commitment for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described.*

There are no material commitments for capital expenditures except as otherwise disclosed or discussed herein.

(v) *Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations.*

The uncontracted portion of First Gen group's generation capacity could have a significant impact on the Group's overall financial performance should spot market prices of electricity become unfavorable. Spot prices are mostly determined by the supply and demand situation prevailing in the market. The expiration of First Gen group's PPAs could likewise expose the Group's portfolio more to the WESM or result in First Gen group entering into PSAs with more contestable customers.

(vi) *Any significant elements of income or loss that did not arise from the registrant's continuing operations.*

During the year, there are no significant elements of income or loss that did not arise from the registrant's continuing operations.

(vii) *Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).*

The causes for any material changes from period to period of FS, including the vertical and horizontal analyses of any material item (5%) the year ended December 31, 2024, are discussed in *Item 6. Management's Discussion and Analysis or Plan of Operation*.

(viii) *Any seasonal aspects that had a material effect on the financial condition or results of operations.*

The sale of electricity of the Group, particularly revenues from hydro, solar and wind projects, as well as the Group's merchant plants, are affected by seasonality or cyclicality of interim operations. The material impact, if any, of the seasonal aspect in the financial results of the Group for the year ended December 31, 2024 are discussed in *Item 6. Management's Discussion and Analysis or Plan of Operation*.

(ix) *Any material events subsequent to the end of the interim period that have not been reflected in the financial adjustments of the interim period.*

FGEN

On February 10, 2025, First Gen issued 28,000,000 Series "H" redeemable preferred stocks with a par value of ₱10.0 per share to FG Hydro, with a total subscription price of ₱2,800.0 million, inclusive of additional paid-in capital amounting to ₱2,520.0 million.

On February 17, 2025, First Gen subsequently prepaid ₱6.0 billion out of its outstanding ₱20.0 billion term loan with BPI and BDO which was used to partially finance the acquisition of the Casecnan plant.

EDC

On January 21, 2025, EDC had drawn ₱2,000.0 million from its term loan facility with BDO.

On January 23, 2025, the board of directors of EDC approved the declaration of special cash dividends to its common and preferred stockholders amounting to ₱4,200.0 million or ₱246,651.43 per share and ₱156.1 million or ₱16,650.67 per share, respectively, in favor of holders of record as of February 3, 2025 and payment date on or before February 28, 2025.

On February 10, 2025, FG Hydro entered into subscription agreement to subscribe to 42,000,000 non-voting preferred stocks of EDC with a par value of ₱10.0 per share for up to ₱4.2 billion, inclusive of additional paid-in capital.

On February 26, 2025, EDC had drawn ₱2,000.0 million from its term loan facility with China Banking Corporation. EDC and EBWPC also entered into various call spread, cross currency swaps, and interest rate swap contracts to hedge its U.S. dollar-denominated long-term debts.

FGen SG

On January 10, 2025, First Gen signed a Guarantee Agreement with Sumitomo Mitsui Banking Corporation (SMBC) as a guarantor pursuant to the Supplemental Facility Letter (the "SMBC Letter") signed by FGen SG and SMBC last December 2, 2024. Under the SMBC Letter, SMBC is giving credit or affording bank facilities of up to $150.0 million to FGen SG. First Gen, as a guarantor, agrees to be jointly and severally liable with FGen SG to pay SMBC all sums of money which are or at any time during the term of the guarantee be owing to SMBC by FGen SG pursuant to the SMBC Letter.

FG Hydro
On February 6, 2025, FG Hydro fully availed its ₱7.0 billion term loan with BPI, BDO, and RCBC which was used to fund general corporate requirements.

FGEN LNG
On February 5, 2025, the Philippine SEC approved the amended articles of incorporation of FGEN LNG and subsequently issued the shares of stock to Tokyo Gas on February 19, 2025 for its corresponding 20% stake in FGEN LNG. Consequently, FGEN LNG is no longer a wholly owned subsidiary of First Gen.at

FGP
On March 14, 2025, FGP availed a $16.0 million short term loan with BDO which was used to pay the LNG importation last February 2025.

Rockwell Land
On January 25, 2025, Rockwell Land's BOD approved the appropriation of retained earnings amounting to ₱15 billion (after reversal of ₱14 billion appropriation) out of the total retained earnings as of December 31, 2024 to partially fund capital expenditures of Rockwell Land from 2024 to 2025.

EXHIBIT “C”

REPORT OF THE AUDIT COMMITTEE
FOR 2024

Report of the Audit Committee
(For the year ended December 31, 2024)

The Audit Committee's roles and responsibilities are defined in First Philippine Holdings Corporation's (FPH) Manual for Corporate Governance and the Audit Committee Charter. The Audit Committee assists the Board of Directors (BOD) in fulfilling its oversight responsibility to the shareholders relating to: a) financial statements; b) financial reporting process and systems of internal controls; and c) audit plan, scope, and performance of independent auditors. In this regard, the Audit Committee confirms that:

1. An Independent Director chairs the Audit Committee;

2. The Audit Committee had four (4) meetings during the year, one (1) of which was conducted via videoconference;

3. The committee reviewed and discussed, together with management, FPH's unaudited interim condensed consolidated financial statements; and with management and the company's independent auditors SyCip Gorres Velayo & Co. (SGV), the annual audited financial statements. These activities were performed in the following context:

   - Management has the primary responsibility for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) and the financial reporting process; and

   - SGV is responsible for expressing an opinion on the conformity of FPH's audited financial statements with PFRS.

4. The Audit Committee discussed and approved the overall scope of SGV's engagement and the Internal Audit Group's annual audit plan, as well as discussed the results of their audits;

5. For the year ended December 31, 2024, FPH engaged SGV to do audit-related and non-assurance services aside from the conduct of year-end financial audit. Such engagements were presented to and reviewed by the Audit Committee, which concluded that: a) the nature and scope are not incompatible with SGV's role as independent auditor; and b) the related fees are not significant so as to impair SGV's independence;

6. The committee reviewed the report(s) on regulatory compliance and ensured that appropriate actions are taken and requirements are complied with; and

7. The Audit Committee is satisfied that FPH has in place adequate internal controls and risk management systems.

Based on the reviews and discussions undertaken, and subject to the limitations on the committee's roles and responsibilities referred to above, the Audit Committee recommends to the BOD that the audited financial statements be included in the Annual Report for the year ended December 31, 2024, and the same be filed with the Securities and Exchange Commission and the Philippine Stock Exchange, Inc. The Audit Committee is likewise recommending to the BOD the re-appointment of SGV as FPH's independent auditor for 2025 based on a review of its performance and qualifications.

March 21, 2025.

RIZALINA G. MANTARING
Chairman

JAIME I. AYALA **Member**	**STEPHEN T. CUUNJIENG** **Member**	**FRANCISCO ED. LIM** **Member**
CIRILO P. NOEL **Member**	**MERCEDES LOPEZ- VARGAS** **Member**	**MIGUEL ERNESTO L. LOPEZ** **Member**