COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	1	0	1	2	4

COMPANY NAME

REPOWER ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Pure Energy Holdings C
orporation)

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

3rd Floor JTKC Centre, 2155 Don Chino R
oces Ave., Makati City, Philippines

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/s	Mobile Number
rolando.domingo@purenergy.com.ph	(02) 8813-8892	0917-830-1613

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
54	June 30	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
Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	(02) 8813-8892	0917-830-1613

CONTACT PERSON'S ADDRESS

3F JTKC Centre, 2155 Chino Roces Ave., Pio Del Pilar, Makati 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 shall not excuse the corporation from liability for its deficiencies.*

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Repower Energy Development Corporation
3rd Floor JTKC Centre,
2155 Don Chino Roces Ave.,
Makati City, Philippines

Opinion

We have audited the separate financial statements of Repower Energy Development Corporation (a subsidiary of Pure Energy Holdings Corporation) (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to separate financial statements, including a summary material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the 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 (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the separate 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782/P-018; Valid until June 6, 2026
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 10467138
Issued January 2, 2025, Makati City

April 16, 2025
Makati City, Metro Manila

REPOWER ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Pure Energy Holdings Corporation)
SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023
ASSETS			
Current Assets			
Cash	4	**₱7,582,309**	₱2,697,840
Due from related parties	13	**313,930,707**	177,529,909
Funds held in escrow	5	**281,014,489**	526,537,923
Dividend receivable	13	**91,690,000**	–
Other current assets		**1,677,791**	1,298,855
Total Current Assets		**695,895,296**	708,064,527
Noncurrent Assets			
Property and equipment	6	**48,842,499**	44,774,798
Investment in subsidiaries	7	**2,028,854,784**	1,871,669,129
Investment in an associate	8	**41,629,138**	40,365,139
Total Noncurrent Assets		**2,119,326,421**	1,956,809,066
		₱2,815,221,717	₱2,664,873,593
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	**₱3,356,264**	₱62,753,194
Due to related parties	13	**1,206,030,484**	1,058,421,615
Current portion of loans payable	10	**312,801**	–
Total Current Liabilities		**1,209,699,549**	1,121,174,809
Noncurrent Liabilities			
Loans payable - net of current portion	10	**1,661,056**	–
Retirement liability	11	**3,643,689**	2,584,802
Total Noncurrent Liabilities		**5,304,745**	2,584,802
Total Liabilities		**1,215,004,294**	1,123,759,611
Equity			
Capital stock	12	**650,000,002**	650,000,002
Additional paid-in capital		**909,472,734**	1,095,920,304
Retained earnings (deficit)		**40,775,005**	(205,035,938)
Other comprehensive income (loss)	11	**(30,318)**	229,614
Total Equity		**1,600,217,423**	1,541,113,982
		₱2,815,221,717	₱2,664,873,593

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Pure Energy Holdings Corporation)

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2024	2023
REVENUES			
Dividend income	7	**₱99,390,000**	₱41,000,000
Interest income	4	**497,674**	152,324
		99,887,674	41,152,324
COSTS AND EXPENSES			
Salaries and wages		**18,756,240**	12,118,458
Professional fees		**5,704,573**	9,284,196
Representation		**5,270,192**	10,381,258
Rental	15	**3,302,829**	3,142,913
Utilities		**2,571,418**	2,394,213
Transportation and meals		**1,908,420**	5,048,656
Retirement benefit	11	**798,955**	2,814,416
Depreciation	6	**583,505**	600,557
Subscription		**459,372**	193,771
Repairs and maintenance		**319,951**	355,072
Taxes and licenses		**114,176**	1,749,279
Listing fees		**–**	3,692,615
Advertising and promotions		**–**	916,329
Others		**1,998,669**	2,566,565
		41,788,300	55,258,298
INTEREST EXPENSE	10	**–**	(870,000)
SHARE IN NET INCOME (LOSS) OF AN ASSOCIATE	8	**1,263,999**	(3,612,394)
INCOME (LOSS) BEFORE INCOME TAX		**59,363,373**	(18,588,368)
PROVISION FOR INCOME TAX	14	**–**	–
NET INCOME (LOSS)		**59,363,373**	(18,588,368)
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods -			
Remeasurement gain (loss) on retirement liability	11	**(259,932)**	229,614
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱59,103,441**	(₱18,358,754)

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION

(A Subsidiary of Pure Energy Holdings Corporation)

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2024**	2023
CAPITAL STOCK	12		
Balance at beginning of year		**₱650,000,002**	₱450,000,000
Issuances		**–**	200,000,002
Balance at end of year		**650,000,002**	650,000,002
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year		**1,095,920,304**	324,901,466
Equity restructuring	12	**(186,447,570)**	–
Additions during the year	12	**–**	800,000,000
Stock issuance costs	12	**–**	(28,981,162)
Balance at end of year		**909,472,734**	1,095,920,304
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year		**(205,035,938)**	(186,447,570)
Equity restructuring	12	**186,447,570**	–
Net income (loss)		**59,363,373**	(18,588,368)
Balance at end of year		**40,775,005**	(205,035,938)
OTHER COMPREHENSIVE INCOME (LOSS)			
Cumulative Remeasurement Gain (Loss) on Retirement Liability	11		
Balance at beginning of year		**229,614**	–
Remeasurement gain (loss)		**(259,932)**	229,614
Balance at end of year		**(30,318)**	229,614
		₱1,600,217,423	₱1,541,113,982

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION

(A Subsidiary of Pure Energy Holdings Corporation)

SEPARATE STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 **2024**	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**₱59,363,373**	(₱18,588,368)
Adjustments for:			
Dividend income	7	**(99,390,000)**	(41,000,000)
Share in net (income) loss of an associate	8	**(1,263,999)**	3,612,394
Retirement benefit	11	**798,955**	2,814,416
Depreciation	6	**583,505**	600,557
Interest income	4	**(497,674)**	(152,324)
Interest expense	10	**–**	870,000
Operating loss before working capital changes		**(40,405,840)**	(51,843,325)
Decrease (increase) in:			
Funds held in escrow		**245,523,434**	(526,537,923)
Other current assets		**(378,936)**	1,038,332
Decrease in trade and other payables		**(145,834)**	(5,255,172)
Net cash generated from (used for) operations		**204,592,824**	(582,598,088)
Interest received		**497,674**	152,324
Dividend received		**–**	41,000,000
Net cash provided by (used in) operating activities		**205,090,498**	(541,445,764)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances made to related parties	13	**(461,933,591)**	(535,595,072)
Collection of due from related parties		**310,898,201**	330,768,739
Acquisitions of:			
Investment in subsidiaries - net of subscription payable	7	**(134,851,063)**	(380,380,000)
Property and equipment	6	**(2,632,806)**	(1,334,745)
Payment for the acquisition of MHCI shares	7	**(59,251,096)**	–
Net cash used in investing activities		**(347,770,355)**	(586,541,078)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Due to related parties	13	**655,602,895**	1,184,385,335
Issuance of capital stock	12	**–**	1,000,000,002
Payments of:			
Due to related parties	13	**(507,994,026)**	(996,544,653)
Loan	10	**(44,543)**	(40,000,000)
Stock issuance costs	12	**–**	(28,981,162)
Interest on loan	10	**–**	(870,000)
Net cash provided by financing activities		**147,564,326**	1,117,989,522
NET INCREASE (DECREASE) IN CASH		**4,884,469**	(9,997,320)
CASH AT BEGINNING OF YEAR		**2,697,840**	12,695,160
CASH AT END OF YEAR	4	**₱7,582,309**	₱2,697,840

(Forward)

	Note	Years Ended December 31 2024	2023
NONCASH FINANCIAL INFORMATION			
Equity restructuring	12	**₱186,447,570**	₱–
Increase in investment in subsidiaries through conversion of due from subsidiaries	7	**14,634,592**	272,919,797
Application of cash dividends against subscription payable	7	**7,700,000**	–
Acquisition of property and equipment through loan availment	6	**2,018,400**	–

See accompanying Notes to Separate Financial Statements.

1. General Information

Repower Energy Development Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 29, 2013 and was listed at the Philippine Stock Exchange (PSE) on July 24, 2023. The Company was organized primarily to develop and generate renewable energy resources. The Company was also authorized to secure and guarantee the obligations of its subsidiaries and other owned entities.

The Company is a subsidiary of Pure Energy Holdings Corporation (PEHC or Parent Company). PEHC is an investment holding company which engages primarily in renewable generation and water system management and distribution. PEHC is a 76%-owned subsidiary of DYT Equities Corporation. All the foregoing entities are incorporated in the Philippines.

The Company's principal office address is located at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines.

Approval of Separate Financial Statements
The separate financial statements of the Company as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 16, 2025.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance
The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The Company also prepares and issues consolidated financial statements for the same year as the separate financial statements. Users of these separate financial statements should read them together with the consolidated financial statements of the Company and its Subsidiaries (collectively referred to as the Group) in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole. The consolidated financial statements can be obtained in the registered office address of the Company or from SEC.

Measurement Bases
The separate financial statements are presented in Philippine Peso, the Company's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The separate financial statements of the Company have been prepared on a historical cost basis except for retirement liability which is recorded at present value of the retirement benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Further information about the assumptions made in measuring fair values is included in Note 17 to the separate financial statements.

Adoption of Amendments to PFRS Accounting Standards
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS Accounting Standards effective beginning January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* - The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* - The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the separate financial statements of the Company. Additional disclosures were included in the separate financial statements, as applicable.

Amendments to PFRS Accounting Standards Issued But Not Yet Effective or Adopted
Relevant amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the separate financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2026 -

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Assets* - The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures* - The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* - The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* - This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* - The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS Accounting Standards is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the separate statements of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period; or,
- There is no right to defer settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Company classifies all other liabilities as noncurrent.

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

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in separate statements of comprehensive income. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in separate statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial asset largely depends on the Company's business model and on the purpose for which the financial instruments are acquired or incurred and whether these are quoted in an active market.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2024 and 2023, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit losses (ECL), if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in separate statements of comprehensive income when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Company's cash, due from related parties, funds held in escrow and dividend receivable are classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in separate statements of comprehensive income when the liabilities are derecognized or impaired or through the amortization process.

As at December 31, 2024 and 2023, the Company's trade and other payables (excluding statutory payables), due to related parties and loans payable are classified under this category.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Derecognition of Financial Assets and Liabilities

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

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the separate statements of comprehensive income.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Otherwise, the financial instrument is classified as equity.

Property and Equipment

Property and equipment, except for construction in progress and land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Land is stated at cost less any accumulated impairment in value. Construction in progress is not depreciated until such time that the relevant assets are ready for use.

The initial cost of property and equipment consists of its purchase price and costs directly attributable to bringing the property and equipment to its working condition for its intended use. Expenditures incurred after the assets have been put into operations, such as repairs and maintenance, are normally charged to profit or loss in the year the cost 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 assets.

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

Asset Type	Number of Years
Transportation equipment	7
Office equipment	1 - 7
Furniture and fixtures	1 - 7

Depreciation commences when the property and equipment is in its location or condition capable of being operated in the manner intended by management. Depreciation ceases at the earlier of the date that the property and equipment is classified as held-for-sale and the date the property and equipment is derecognized.

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

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other direct costs. Reclassifications from construction in progress to relevant asset accounts are made upon completion of the construction.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in separate statements of comprehensive income.

Investment in Subsidiaries

The Company's investment in subsidiaries is accounted for in the separate financial statements at cost less any impairment in value.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the subsidiaries after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

A subsidiary is an entity in which the Company has control. Specifically, the Company controls an investee if it has:

- Power over the 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.

The Company 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.

An assessment of the carrying amount of the investment in a subsidiary is performed when there is an indication that the investment has been impaired.

Investment in an Associate

The Company's investment in an associate is accounted for under the equity method. Under the equity method, the investments in an associate is carried in the separate statements of financial position at cost plus post-acquisition changes of the Company's share in net assets of the associates, less any impairment in value. The separate statements of comprehensive income reflect the Company's share in the total comprehensive income of the associates. Unrealized gains arising from transactions with the associates are eliminated to the extent of the Company's interest in the associates, against the investments in associates. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred. Distributions received in excess of accumulated profits of the associates are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The Company and its associates apply uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of the associates are prepared for the same reporting period as the Company.

Impairment of Nonfinancial Assets

Nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot 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 profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding.

Additional Paid-in Capital. Proceeds and/or fair value of considerations received for capital stock in excess of par value, net of stock issuance costs if any, are recognized as additional paid-in capital.

Retained Earnings (Deficit). Retained earnings (deficit) represents the cumulative balance of the Company's net income (loss) over its years of operation.

Other Comprehensive Income (loss). Other component of equity pertains to income that is not to be recognized in profit or loss for the year. Other comprehensive income (loss) pertains to remeasurement gain (loss) on retirement liability.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

Dividend income. Dividend income is recognized when the Company's right to receive the payment is established.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final tax.

Expense Recognition

Expenses are recognized in separate statements of comprehensive income when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized as it accrues based on the effective interest method.

Other Expenses. Other expenses are recognized as incurred.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

Short-term Lease. The Company applies the short-term lease recognition exemption to its short-term leases of office space (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 lease is recognized as expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits are determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs, and interest expense or income in profit or loss.

Interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements comprising actuarial gains are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement liability is the present value of the retirement liability on which the obligations are to be settled directly. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the separate financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

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

Deferred 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 unused net operating loss carryover (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

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

Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties also include key management personnel of the Company. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the 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. If the effect of the time value of money is material, provisions are discounted using a current pretax 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 a finance cost.

Contingencies

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

Events After the Reporting Date

Events after the reporting date that provide additional information about the Company's statements of financial position at the end of reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's separate financial statements requires management to make judgments and accounting estimates that affect the amounts reported in the separate financial statements and accompanying notes. The judgments and accounting estimates used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the separate financial statements.

Determining the Lease Commitments - Company as a Lessee. The Company has a non-cancellable lease agreement for its office space for a period of one (1) year. The Company has assessed that this is short-term. Accordingly, an ROU asset has not been recognized.

Rental expense in 2024 and 2023 are disclosed in Note 15.

Accounting Estimates and Assumptions

Assessing the Impairment of Financial Assets at Amortized Cost. The Company determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime expected credit loss.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Company's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12 months ECL. The Company has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2024 and 2023.

The carrying amounts of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 4, 5 and 13.

Assessing the Impairment of Investments in Subsidiaries and an Associate. The Company assesses the impairment of investments in subsidiaries and an associate whenever events or changes in circumstances indicate that the carrying amount of investment in subsidiaries may not be recoverable.

Factors that the Company considered in deciding when to perform impairment review include the following, among others:

- significant decline in business and operating performance in relation to expectations; and
- significant changes in the business operations and strategies of the Company and its subsidiaries and associate.

Based on management assessment, there are no indicators for impairment that will warrant impairment assessment. Accordingly, no impairment loss was recognized in 2024 and 2023.

The carrying amounts of investment in subsidiaries and associate as at December 31, 2024 and 2023 are disclosed in Notes 7 and 8.

Estimating the Useful Lives of Property and Equipment. The useful life of each item of the property and equipment (excluding land and construction in progress), apply to the whole judgement is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically based on factors that include asset utilization, internal technical evaluation and technological changes and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned in the foregoing. A change in the estimated useful life of any item of property and equipment would increase the recorded expense and decrease noncurrent assets.

No changes were made on the estimated useful lives of property and equipment as at December 31, 2024 and 2023. The carrying amount of property and equipment as at December 31, 2024 and 2023 are disclosed in Note 6.

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets (excluding investment in subsidiaries and an associate) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In assessing whether there is any indication that an asset may be impaired, the Company considers the external and internal sources of information. External sources of information include but are not limited to unexpected significant decline in market value and any other significant changes with an adverse effect on the Company, whether it had taken place during the period or will take place in the near future in the market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated. Internal sources of information include evidence of physical damage on an asset, significant changes with an adverse effect on the Company whether it had taken place during the period, or are expected to take place in the near future, to the extent to which, or in a manner in which, an asset is used or is expected to be used, and any other evidence that indicates that the economic performance of an asset is, or will be, worse than expected.

The carrying amounts of nonfinancial assets (excluding investment in subsidiaries and an associate) of the Company are disclosed in Note 6.

Estimating the Retirement Benefits. The determination of the obligation and cost for provision for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and expected rates of salary increase, are indicated in Note 11. Actual results that differ from the assumptions are accumulated and are recognized in other comprehensive income.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement benefit liability.

The carrying amount of retirement liability is disclosed in Note 11.

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

The Company's unrecognized deferred tax assets are disclosed in Note 14.

4. Cash

This account consists of:

	2024	2023
Cash on hand	**₱20,000**	₱20,000
Cash in banks	**7,562,309**	2,677,840
	₱7,582,309	₱2,697,840

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Interest income consists of:

	Note	2024	2023
Cash in banks		**₱21,108**	₱14,401
Funds held in escrow	5	**476,566**	137,923
		₱497,674	₱152,324

5. Funds Held in Escrow

The Company appointed a universal bank as the custodian bank (the Custodian Bank) to manage and administer the net proceeds of the initial public offering (IPO).

The net IPO proceeds are kept separate and distinct from all other funds in custody of the Custodian Bank. The Custodian Bank maintains independent books of records of all the transactions of the escrow account and shall release the proceeds to the Company, subject to the issuance of a letter of instructions, and a written certification under oath, signed by the Chief Financial Officer of the Company, stating the purpose of which the company shall use the funds, and such purpose is exclusively in accordance with the approved use of proceeds.

The escrow deposit maintained under escrow account with the Custodian Bank amounted to ₱281,014,489 and ₱526,537,923 as at December 31, 2024 and 2023, respectively. Net withdrawals from fund held in escrow amounted to ₱246,000,000 and ₱423,100,100 in 2024 and 2023, respectively.

Interest income earned in 2024 and 2023 amounted to ₱476,566 and ₱137,923 in 2024 and 2023, respectively (see Note 4).

6. Property and Equipment

The balances and movements in this account are as follows:

	2024					
	Construction in Progress	Land	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
Cost						
Balances at beginning of year	**₱39,573,041**	**₱4,016,744**	**₱1,825,000**	**₱2,440,349**	**₱207,003**	**₱48,062,137**
Additions	**1,600,000**	**–**	**2,523,000**	**528,206**	**–**	**4,651,206**
Balances at end of year	**41,173,041**	**4,016,744**	**4,348,000**	**2,968,555**	**207,003**	**52,713,343**
Accumulated Depreciation						
Balances at beginning of year	**–**	**–**	**1,616,055**	**1,530,477**	**140,807**	**3,287,339**
Depreciation	**–**	**–**	**257,650**	**296,283**	**29,572**	**583,505**
Balances at end of year	**–**	**–**	**1,873,705**	**1,826,760**	**170,379**	**3,870,844**
Carrying Amount	**₱41,173,041**	**₱4,016,744**	**₱2,474,295**	**₱1,141,795**	**₱36,624**	**₱48,842,499**

	2023					
	Construction in Progress	Land	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
Cost						
Balances at beginning of year	₱38,890,737	₱4,016,744	₱1,825,000	₱1,787,908	₱207,003	₱46,727,392
Additions	682,304	–	–	652,441	–	1,334,745
Balances at end of year	39,573,041	4,016,744	1,825,000	2,440,349	207,003	48,062,137
Accumulated Depreciation						
Balances at beginning of year	–	–	1,356,650	1,218,897	111,235	2,686,782
Depreciation	–	–	259,405	311,580	29,572	600,557
Balances at end of year	–	–	1,616,055	1,530,477	140,807	3,287,339
Carrying Amount	₱39,573,041	₱4,016,744	₱208,945	₱909,872	₱66,196	₱44,774,798

Construction in progress pertains to the pre-development costs of the Company's mini hydropower plant projects which are expected to be completed until 2027. The estimated development costs to complete the projects amounted to ₱1,102,597,344 as at December 31, 2024.

In 2024, the Company acquired transportation equipment with a cost amounting to ₱2,523,000. This acquisition was financed through a bank loan amounting ₱2,018,400. The transportation equipment has been mortgaged as collateral for the loan (see Note 10).

Fully depreciated property and equipment being used by the Company amounted to ₱3,036,675 and ₱838,013 as at December 31, 2024 and 2023, respectively.

7. Investment in Subsidiaries

This account consists of investments in the following subsidiaries as at December 31, 2024 and 2023:

	2024		2023	
	Ownership	Amount	Ownership	Amount
Cabanglasan Hydropower Corporation (CHC)	**100%**	**₱587,500,000**	100%	₱150,000,000
Labayat 1 Hydropower Corporation (L1HC)	**82%**	**485,472,200**	82%	485,472,200
Tibag Hydropower Corporation (THC)	**100%**	**150,000,000**	100%	150,000,000
Majayjay Hydropower Corporation, Inc. (MHCI)	**99%**	**223,430,138**	99%	223,430,138
Philippine Power & Development Company (PPDC)	**99%**	**145,598,560**	99%	137,898,560
Bicol Hydropower Corporation (BHC)	**100%**	**68,693,430**	100%	68,693,430
Baguio Asin Hydropower Corporation (BAHC)	**100%**	**12,500,000**	100%	12,500,000
Piapi Hydropower Corporation (PHC)	**60%**	**6,000,000**	60%	6,000,000
		1,679,194,328		1,233,994,328
Deposits for future stock subscription		**349,660,456**		637,674,801
		₱2,028,854,784		₱1,871,669,129

Movements in this account are as follows:

	Note	2024	2023
Balance at beginning of year		**₱1,871,669,129**	₱1,219,494,329
Additions		**142,551,063**	379,255,003
Conversions from advances	13	**14,634,592**	272,919,797
Balance at end of year		**₱2,028,854,784**	₱1,871,669,129

CHC

CHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. CHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2024 and 2023, the Company invested additional ₱97,000,000 and ₱314,880,000, respectively, to CHC to partially fund the equity portion of the Pulanai River Hydroelectric Power Project pursuant to the final prospectus. These amounts were presented as part of CHC's deposit for future stock subscription. In 2024, the Company invested additional ₱37,851,063 to CHC as deposit for future stock subscription.

In 2024, the Company converted advances to CHC amounting to ₱14,634,592 into a deposit for future stock subscription (see Note 13).

In 2024 and 2023, the Company converted its deposit for future stock subscription aggregating ₱437,500,000 and ₱100,000,000, respectively, as part of its investment in CHC upon SEC's approval on CHC's application for increase in authorized capital stock.

L1HC

L1HC was incorporated and registered in the Philippines and is organized to develop, manage and operate hydroelectric power plants in Real, Quezon Province. The L1HC's principal place of business is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2023, the Company converted advances to L1HC amounting to ₱272,919,797 as deposit for future stock subscription (see Note 13). Also in 2023, deposit for future stock subscription aggregating ₱365,472,200 was converted to capital upon SEC's approval on L1HC's increase in authorized capital stock.

In 2023, the Company received dividends amounting to ₱41,000,000 from L1HC.

The summarized financial information of L1HC, material partly-owned subsidiary, is presented below. This information is based on the amounts before intercompany eliminations.

	2024	2023
Total current assets	**₱219,397,392**	₱177,133,749
Total noncurrent assets	**800,387,396**	837,704,686
Total current liabilities	**87,033,555**	87,360,976
Total noncurrent liabilities	**246,171,015**	299,885,868
Total equity	**686,580,218**	627,591,591
Total revenue	**142,258,010**	127,037,483
Total net income	**59,009,454**	34,758,711
Total comprehensive income	**58,988,627**	34,866,675

THC
THC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. THC's principal place of business is at 3F JTKC Centre, 2155 Don Chino Roces Ave., Brgy. Pio Del Pilar, Makati City, Metro Manila, Philippines.

In 2023, the Company converted its deposit for future stock subscription aggregating ₱87,571,724 as part of its investment in THC upon SEC's approval on THC's application for increase in authorized capital stock.

MHCI
MHCI was incorporated and registered in the Philippines and is organized to carry on and conduct business in generating renewable energy sources. MHCI's principal place of business is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2024, the Company settled its payable to the previous stockholders of MHCI from the acquisition of MHCI shares amounting to ₱59,251,096 (see Note 9).

PPDC
PPDC was incorporated and registered in the Philippines as an independent power producer. PPDC is a pioneer in the Mini Hydropower Plant (MHP) operation since 1928. PPDC's principal place of business is located at 3F JTKC Centre, 2155 Chino Roces Avenue, Makati City.

In 2024, PPDC declared cash dividends amounting to ₱99,390,000. Dividends receivable amounting to ₱7,700,000, were applied against the subscription payable to PPDC.

BHC
BHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in power generation by building and operating mini-hydropower plants. BHC's principal place of business is at Romar Bldg., Elias Angeles Street, Naga City.

BAHC
BAHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. BAHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2023, the Company subscribed and paid all the shares of BAHC amounting to ₱12,500,000.

PHC
PHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. PHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2023, the Company fully paid the subscription payable to PHC and invested additional ₱4,500,003 and ₱47,375,000 as investment in PHC and deposit for future stock subscription, respectively.

As at December 31, 2024, CHC, PHC and BAHC are in the development or commercial stage while L1HC, MHCI, THC, PPDC and BHC are already on its commercial operations.

8. Investment in an Associate

The movement in this account is as follows:

	2024	2023
Acquisition Cost		
Balance at beginning and end of year	**₱15,000,000**	₱15,000,000
Advances For Future Stock Subscription		
Balance at beginning and end of year	**40,191,200**	40,191,200
Accumulated Equity Share in Net Loss of Associates		
Balance at beginning of year	**(14,826,061)**	(11,213,667)
Equity share in net income (loss)	**1,263,999**	(3,612,394)
Balance at end of year	**(13,562,062)**	(14,826,061)
Carrying Amount	**₱41,629,138**	₱40,365,139

As at December 31, 2024 and 2023, the Company has 30% ownership interest in Blue Energy Holdings and Management Corporation (BEHMC).

BEHMC was incorporated, registered and organized in the Philippines with a principal place of business at 5F, JTKC Centre, Chino Roces Avenue, Makati City. BEHMC is engaged in investing activities, provided it shall not act as a stockbroker or dealer in securities.

Summarized financial information of the associate is as follows:

	2024	2023
Total current assets	**₱51,582,687**	₱28,228,688
Total noncurrent assets	**471,327,804**	714,508,011
Total current liabilities	**157,022,066**	391,469,019
Total noncurrent liabilities	**361,095,297**	350,687,883
Total equity	**4,793,128**	579,797
Total revenue	**37,573,959**	–
Total net income (loss)	**4,213,331**	(12,041,314)
Total comprehensive income (loss)	**4,213,331**	(12,041,314)

The reconciliation of the net asset of the associate and the carrying amount of the investment as follows:

	2024	2023
Equity at end of year	**₱4,793,128**	₱579,797
Percentage of ownership	**30%**	30%
	1,437,938	173,939
Advances for future stock subscription	**40,191,200**	40,191,200
Carrying amount of investment	**₱41,629,138**	₱40,365,139

9. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade payables		**₱521,231**	₱476,688
Accrued expenses		**2,639,126**	2,787,443
Statutory payable		**85,058**	237,967
Payable for the acquisition of MHCI shares	7	**–**	59,251,096
Others		**110,849**	–
		₱3,356,264	₱62,753,194

Trade payables and accrued expenses are non-interest bearing and are normally settled in 30 to 60-day terms. These pertain mainly to expenses payable to its suppliers and contractors, accruals for utilities and other expenses incurred by the Company.

Statutory payable pertain to employee benefits and taxes withheld by the Company on employees' compensation and on payments to suppliers. These are remitted to the respective regulatory agencies in the following month.

10. Loan Payable

Movements in this account are as follows:

	Note	2024	2023
Balance at beginning of year		**₱–**	₱40,000,000
Availment	6	**2,018,400**	–
Payments		**(44,543)**	(40,000,000)
Balance at the end of year		**1,973,857**	–
Less current portion		**312,801**	–
Noncurrent portion		**₱1,661,056**	₱–

On September 5, 2022, the Company entered into an interest-bearing and unsecured loan agreement amounting to ₱40,000,000 with an individual. The interest is payable monthly, with an interest rate of 18% annually. The loan was fully paid in 2023.

On December 27, 2024, the Company obtained a bank loan amounting to ₱2,018,400 to finance the acquisition of transportation equipment costing ₱2,523,000. The loan is secured by mortgaging the transportation equipment as collateral (see Note 6).

Interest expense charged to operations amounted to nil and ₱870,000 in 2024 and 2023, respectively.

The table below details changes in the Company's liabilities arising from financing activities:

		2024				
	Note	Balance at beginning of year	Proceeds	Payments	Other noncash changes	Balance at End of Year
Due to related parties	13	₱1,058,421,615	₱655,602,895	(₱507,994,026)	₱–	₱1,206,030,484
Loan payable		–	–	(44,543)	2,018,400	1,973,857
		₱1,058,421,615	₱655,602,895	(₱508,038,569)	₱2,018,400	₱1,208,004,341

		2023				
	Note	Balance at beginning of year	Proceeds	Payments	Accrual of Interest	Balance at End of Year
Due to related parties	13	₱870,580,933	₱1,184,385,335	(₱996,544,653)	₱–	₱1,058,421,615
Loan payable		40,000,000	–	(40,000,000)	–	–
Interest payable		–	–	(870,000)	870,000	–
		₱910,580,933	₱1,184,385,335	(₱1,037,414,653)	₱870,000	₱1,058,421,615

In 2024, other noncash changes pertain to availment of loan to finance the acquisition of transportation equipment (see Note 6).

11. Retirement Liability

The Company has unfunded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The normal retirement age is 60 with a minimum of five years of credited service.

Breakdown of retirement benefits expense is as follow:

	2024	2023
Current and past service costs	₱133,901	₱2,712,373
Interest expense	665,054	102,043
	₱798,955	₱2,814,416

The movements of retirement liability recognized in the separate statements of financial position as at December 31 are as follows:

	2024	2023
Balance at beginning of year	₱2,584,802	₱–
Current service cost	133,901	270,171
Interest cost	665,054	102,043
Past service cost	–	2,442,202
Remeasurement gains on:		
Experience adjustments	169,769	(30,015)
Change in financial assumptions	90,163	(199,599)
Balance at end of year	₱3,643,689	₱2,584,802

The cumulative remeasurement gain (loss) recognized in OCI are as follows:

	2024	2023
Balance at beginning of year	**₱229,614**	₱–
Remeasurement gain (loss)	**(259,932)**	229,614
Balance at end of year	**(₱30,318)**	₱229,614

The principal actuarial assumptions used to determine retirement benefits expense are as follows:

	2024	2023
Discount rate	**6.1%**	6.1%
Salary projection rate	**5.0%**	5.0%

The sensitivity analysis based on reasonable possible changes of assumptions are presented below:

		Effect on Present Value of Retirement Liability	
	Change in Assumption	Discount Rate	Salary Projection Rate
December 31, 2024	**+1%**	**(₱160,062)**	**₱153,232**
	-1%	**183,746**	**(134,282)**
December 31, 2023	+1%	(77,265)	77,102
	-1%	87,865	(68,433)

The expected future benefit payments within the next ten years are as follows:

	2024	2023
After one (1) year but not more than five (5) years	**₱5,604,414**	₱2,388,609
More than five (5) years but not more than ten (10) years	**8,328,189**	345,996
More than ten (10) years	**1,138,802**	450,068
16 years and above	**15,608,996**	5,137,906

The weighted average duration of the retirement benefit obligation as at December 31, 2024 and 2023 are 2.95 and 5.32 years, respectively.

12. Capital Stock and Additional Paid-in Capital

Movements in capital stock are as follows:

	2024		2023	
	Shares	**Amount**	Shares	Amount
Authorized Capital Stock at ₱1 par value				
Balance at beginning and end of year	**750,000,000**	**₱750,000,000**	750,000,000	₱750,000,000
Issued and Outstanding				
Balance at beginning of year	**650,000,002**	**₱650,000,002**	450,000,000	₱450,000,000
Issuance of shares	**–**	**–**	200,000,002	200,000,002
Balance at end of year	**650,000,002**	**₱650,000,002**	650,000,002	₱650,000,002

In 2023, the Company, upon listing in the PSE, issued 200,000,000 common shares from the Company's unissued capital stock at a price of ₱5.00 per share. The gross proceeds from the IPO amounted to ₱1,000,000,000. The excess of the offer price over the par value of the issued shares equivalent to ₱800,000,000, was recognized as additional paid-in capital (APIC). Cost directly attributable to the issuance of shares amounting to ₱28,981,162 were recognized as deduction from the APIC.

On March 27, 2023, the BOD approved the Company's equity restructuring to wipe out the deficit as at December 31, 2022 amounting to ₱186,447,570 against its APIC. In May 2024, the Company received the certificate of approval of equity restructuring from the SEC.

13. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as follows:

		Transactions During the Year		Outstanding Balance	
Related Parties	Nature	**2024**	2023	**2024**	2023
Due from Related Parties					
Subsidiaries	Advances for working capital	**₱407,667,893**	₱376,590,139	**₱170,765,538**	₱111,357,744
Entities Under Common Control	Advances for working capital	**54,265,698**	159,004,933	**143,147,906**	66,154,902
Associate	Advances for working capital	**–**	–	**17,263**	17,263
				₱313,930,707	₱177,529,909
Dividend Receivable					
Subdidiary	Dividend income	**₱99,390,000**	₱–	**₱91,690,000**	₱–
Due to Related Parties					
Subsidiaries	Advances for working capital	**₱106,444,056**	₱522,110,348	**₱390,600,517**	₱323,674,549
Individual and Other Stockholders	Advances for working capital	**373,966,105**	416,913,357	**250,406,772**	296,625,048
Parent Company	Advances for working capital	**106,086,330**	71,312,500	**296,351,320**	222,933,416
Entity under Common Control	Advances for working capital	**69,106,403**	174,049,130	**268,671,875**	215,188,602
				₱1,206,030,484	₱1,058,421,615

Due from Related Parties

These are noninterest-bearing, unsecured, due and demandable, collectible in cash, and unimpaired.

Due to Related Parties
These are non-interest bearing, unsecured and payable on demand in cash. The Company converted due from subsidiaries amounting to ₱14,634,592 and ₱272,919,797 in 2024 and 2023, respectively, to investment in subsidiaries (see Note 7).

Dividend Receivable
These are non-interest-bearing, unsecured, due and demandable, and collectible in cash.

Compensation of Key Management Personnel
The Company paid short-term benefits to key management personnel amounting to ₱6,727,123 and ₱4,522,500 and in 2024 and 2023, respectively.

14. Income Taxes

There is no provision for income tax in 2024 and 2023 because of the Company's net taxable loss position.

The details of the Company's unrecognized deferred tax assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
NOLCO	**₱45,487,964**	₱36,558,176
Retirement liability	**910,922**	646,201
	₱46,398,886	₱37,204,377

The management assessed that it may not be probable that sufficient taxable income may be available against which the benefits of the foregoing deferred tax asset can be utilized.

The Company's NOLCO which can be claimed as deduction from future taxable income are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2024	₱–	₱35,719,153	₱–	₱35,719,153	2027
2023	71,875,705	–	–	71,875,705	2026
2022	29,848,786	–	–	29,848,786	2025
2021	27,338,709	–	–	27,338,709	2026
2020	17,169,503	–	–	17,169,503	2025
	₱146,232,703	₱35,719,153	₱–	₱181,951,856	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and as implemented under Revenue Regulation (RR) No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2021 and 2020 can be carried-over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss. NOLCO incurred in 2021 and 2020 from taxable transactions can be claimed as deduction from the taxable income until 2026 and 2025, respectively.

The reconciliation between the income tax benefit based on statutory income tax rate and provision for income tax reported in the separate statements of comprehensive income is as follows:

	2024	2023
Income tax benefit computed at statutory tax rate	**₱14,840,843**	(₱4,647,092)
Change in unrecognized deferred tax assets	**9,194,510**	18,615,127
Add (deduct) tax effects of:		
Nontaxable dividend income	**(24,847,500)**	(10,250,000)
Nondeductible expenses	**1,317,549**	2,604,835
Equity share in net (income) loss of an associate	**(316,000)**	903,098
Interest income subjected to final tax	**(124,419)**	(38,081)
Remeasurement gain (loss) on retirement liability	**(64,983)**	57,404
Stock issuance costs	**–**	(7,245,290)
	₱–	₱–

The income tax rates used in preparing the separate financial statements as at and for the years ended December 31, 2024 and 2023 are 25% for RCIT, and 2% and 1.5%, respectively, for MCIT.

15. Commitments

Company as a Lessee

The Company leases its office premises for administrative purposes with a lease term of one (1) year. The lease contract is renewable upon mutual agreement of both parties. The Company applied the "short-term lease" recognition exemption for these leases.

Rental expense incurred amounted to ₱3,302,829 and ₱3,142,913 in 2024 and 2023, respectively.

The future minimum lease payments within one year under the non-cancellable operating lease agreement amounted to ₱2,501,748 and ₱2,761,704 as at December 31, 2024 and 2023, respectively.

Hydropower Service Contract (HSC)

The Government, through the Department of Energy (DOE), awarded HSCs to the Company giving the Company the exclusive right to explore, develop and utilize hydropower resources within specified contract areas.

On February 7, 2024, the Company assigned its HSC in Mauban, Quezon to PHC. As at December 31, 2024, the Company has one (1) HSC in Real, Quezon which is under the pre-development stage.

Wind Energy Service Contract (WESC)

The Government, through the DOE, awarded WESCs to the Company for the exclusive right to explore, develop and utilize wind energy resources within specified contract areas.

In 2024, the Company assigned its WESCs in Real Offshore, Pandan Labayat, Mauban Offshore and Silang Maragondon Wind Farms to Airstream Renewables Corp.

The HSC and WESC contracts are for a period is for twenty-five (25) years which is divided into two (2) stages: the pre-development stage and the development or commercial stage.

The pre-development stage refers to preliminary assessment and feasibility study activities. The development or commercial stage commences from the confirmation of commerciality by the DOE and refers to the construction and installation of facilities up to the operation phase.

Legal Proceedings
The Company is involved in certain legal proceedings. Management believes that the ultimate liability, if any, with respect to such disputes will not materially affect the financial position of the Company.

16. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise cash, funds held in escrow, dividend receivable, due from related parties, trade and other payables (excluding statutory payables), due to related parties, and loan payable. The main purpose of these financial instruments is to finance the Company's operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and approves policies for managing these risks as summarized below.

Credit Risk Management
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Generally, receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The carrying amount of financial assets at amortized cost recorded in the separate financial statements represents the Company's maximum exposure to credit risk.

The table below shows the credit quality and aging analysis of the Company's financial assets as at December 31, 2024 and 2023:

	2024					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
12-month ECL:						
Cash in banks	₱7,562,309	₱–	₱–	₱–	₱–	₱7,562,309
Funds held in escrow	281,014,489	–	–	–	–	281,014,489
Dividend receivable	–	91,690,000	–	–	–	91,690,000
Due from related parties	–	313,930,707	–	–	–	313,930,707
	₱288,576,798	₱405,620,707	₱–	₱–	₱–	₱694,197,505

	2023					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
12-month ECL:						
Cash in banks	₱2,677,840	₱–	₱–	₱–	₱–	₱2,677,840
Funds held in escrow	526,537,923	–	–	–	–	526,537,923
Due from related parties	–	177,529,909	–	–	–	177,529,909
	₱529,215,763	₱177,529,909	₱–	₱–	₱–	₱706,745,672

The Company's financial assets are categorized based on the Company's collection experience with the counterparties as follows:

- "Neither past due nor impaired" includes the Company's financial instruments that are:
  a. High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
  b. Standard Grade - some reminder follow-ups are performed to obtain settlement from the counterparty.
- "Past due but not impaired" are items with history of frequent default, nevertheless the amount due are still collectible.

Liquidity Risk Management

Liquidity risk is the risk that the Company may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The Company's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted payments:

	2024					
	Due and Demandable	**Less than 1 year**	**1 to 2 Years**	**2 to 3 Years**	**Over 3 years**	**Total**
Trade and other payables*	**₱–**	**₱3,271,206**	**₱–**	**₱–**	**₱–**	**₱3,271,206**
Due to related parties	**1,206,030,484**	**–**	**–**	**–**	**–**	**1,206,030,484**
Loan payable	**–**	**534,516**	**534,516**	**534,516**	**1,024,489**	**2,628,037**
	₱1,206,030,484	**₱3,805,722**	**₱534,516**	**₱534,516**	**₱1,024,489**	**₱1,211,929,727**

**Excluding statutory payables amounting to ₱85,058 as at December 31, 2024*

	2023					
	Due and Demandable	Less than 1 year	1 to 2 Years	2 to 3 Years	Over 3 years	Total
Trade and other payables*	₱–	₱62,515,227	₱–	₱–	₱–	₱62,515,227
Due to related parties	1,058,421,615	–	–	–	–	1,058,421,615
	₱1,058,421,615	₱62,515,227	₱–	₱–	₱–	₱1,120,936,842

**Excluding statutory payables amounting to ₱237,967 as at December 31, 2023*

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Company regularly monitors its capital position and assesses business conditions to ensure early detection and determination of risks and its consequent adverse impact. The Company adopts measures, as deemed necessary and appropriate, to mitigate risks.

In determining reasonable leverage, the Company evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Company considers its equity as capital amounting to ₱1,600,217,423 and ₱1,541,113,982 as at December 31, 2024 and 2023, respectively.

The Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies, and process in 2024 and 2023.

17. Fair Value Measurement

Cash in Bank, Funds Held in Escrow, Due from Related Parties, Dividend Receivable, Trade and Other Payables (Excluding Statutory Payable), and Due to Related Parties. Due to the short-term nature of transactions, the carrying amount of these instruments approximate the fair values as at reporting dates.

Loan Payable. The carrying amount of loan payable as at December 31, 2024 approximates its fair value.

The difference between the carrying amount and the present value of all future cash flows discounted at the applicable rate for similar types of loans is not significant.

There were no transfers between levels in the fair value hierarchy for the years ended December 31, 2024, and 2023.

REYES TACANDONG & CO.
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BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Repower Energy Development Corporation
3rd Floor JTKC Centre,
2155 Don Chino Roces Ave.,
Makati City, Philippines

We have audited in accordance with Philippines Standards on Auditing, the separate financial statements of Repower Energy Development Corporation (the Company) as at December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023 have issued our report thereon dated April 16, 2025. Our audits were made for the purpose of forming an opinion on the separate financial statements taken as a whole.

The Supplementary Schedule on Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This is presented for purposes of complying with Revised Securities Regulation Code Rule 68 Part II, and is not part of the basic separate financial statements.

The supplementary schedule have been subjected to the audit procedures applied in the audit of the basic separate financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & CO.

Arthur Vinson Ong

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782/P-018; Valid until June 6, 2026
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 10467138
Issued January 2, 2025, Makati City

April 16, 2025
Makati City, Metro Manila

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PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

REPOWER ENERGY DEVELOPMENT CORPORATION

Address: 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines

		Amount
Retained earnings (deficit) available for dividend declaration, beginning of reporting period		(₱190,209,877)
Add: Category A: Items that are directly credited to unappropriated retained earnings		
Equity restructuring	₱186,447,570	186,447,570
Deficit, as adjusted		(3,762,307)
Add net income for the current year		59,363,373
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	1,263,999	1,263,999
Adjusted net income		58,099,374
Total retained earnings, end of the reporting period available for dividend		₱54,337,067

REPOWER ENERGY DEVELOPMENT CORPORATION

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS"

The Management of **REPOWER ENERGY DEVELOPMENT CORPORATION,** is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2024 and 2023, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: Renato Z. Locsin
Chairman of the Board

Signature: Eric Peter Y. Roxas
President

Signature: Suzanne S. Cañete
Treasurer

Signed this _____ day of _____

SUBSCRIBE AND SWORN to before me, this _____ day of 30 APR 2025 in the _____

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ATTY. JOSHUA P. LAPUZ
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UNTIL DEC. 31, 2025
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ROLL NO. 63269 APPOINTMENT NO M-1 9/ 2023 24
IBP LIFETIME NO 04837

Bureau of Internal Revenue
Republic of the Philippines

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 008-541-419-000
Name	: REPOWER ENERGY DEVELOPMENT CORPORATION
RDO	: 048
Form Type	: 1702
Reference No.	: 462500065353101
Amount Payable (Over Remittance)	: 0.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/14/2025
Tax Type	: IT

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Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR Use Only: BCS/ Item:

BIR Form No. **1702-RT** January 2018(ENCS) **Page 1**

Annual Income Tax Return

For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.

1702-RT 01/18ENCS P1

1 For	3 Amended Return?	4 Short Period Return?	5 Alphanumeric Tax Code (ATC)
○ Calendar ○ Fiscal	○ Yes ● No	○ Yes ● No	IC055 Minimum Corporate Income Tax (MCIT)
2 Year Ended (MM/20YY) 12/2024			IC010 DOMESTIC CORPORATION IN GENERAL

Part I - Background Information

6 Taxpayer Identification Number (TIN)	7 RDO Code
008 - 541 - 419 - 000	048

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*

REPOWER ENERGY DEVELOPMENT CORPORATION

9A Registered Address *(Indicate complete registered address)*

3/FLR JTKC CENTER 2155 CHINO ROCES AVE BRGY PIO DEL PILAR CITY OF MAKATI

9B Zipcode 1230

10 Date of Incorporation/Organization (MM/DD/YYYY)	05/29/2013

11 Contact Number	12 Email Address
n/a	ros22_des@yahoo.com

13 Method of Deductions ○ Itemized Deductions [Section 34 (A-J), NIRC] ○ Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

14 Total Income Tax Due (Overpayment) *(From Part IV Item 43)*	0
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*	0
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*	0
Add Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 16 and 20)*	0

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*

○ To be refunded ○ To be issued a Tax Credit Certificate (TCC) ○ To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

ERIC PETER Y. ROXAS	SUZANNE S. CARIETE	22 Number of Attachments
Signature over printed name of President/Principal Officer/Authorized Representative	Signature over printed name of Treasurer/Assistant Treasurer	

Title of Signatory	PRESIDENT	TIN	106207301	Title of Signatory	TREASURER	TIN	121951009	0

Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date *(MM/DD/YYYY)*	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others *(Specify Below)*				0

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*	*Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)*

BIR Form No.
1702-RT
January 2018(ENCS)
Page 2

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	Registered Name
008 - 541 - 419 - 000	REPOWER ENERGY DEVELOPMENT CORPORATION

Part IV - Computation of Tax	(Do NOT enter Centavos)
27 Sales/Receipts/Revenues/Fees	0
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*	0
30 Less: Cost of Sales/Services	0
31 Gross Income from Operation *(Item 29 Less Item 30)*	0
32 Add: Other Taxable Income Not Subjected to Final Tax	0
33 Total Taxable Income *(Sum of Items 31 and 32)*	0

Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	35,719,153	
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0	
36 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)*	0	
37 Total Deductions *(Sum of Items 34 to 36)*	35,719,153	
***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*		
38 Optional Standard Deduction *(40% of Item 33)*	0	

39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	(35,719,153)
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*	0
42 MCIT Due *(2% of Item 33)*	0
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*	0

Less: Tax Credits/Payments (attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	0
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
47 Excess MCIT Applied this Current Taxable Year *(From Part VI Schedule IV Item 4)*	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits *(To Part V Item 58)*	0
Other Credits/Payments *(Specify)*	
53	0
54	0

55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*	0
56 Net Tax Payable / (Overpayment) *(Item 43 Less Item 55)) (To Part II Item 16)*	0

Part V - Tax Relief Availment	
57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 Total Tax Relief Availment *(Sum of Items 57 and 58)*	0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)	Registered Name
008 - 541 - 419 - 000	REPOWER ENERGY DEVELOPMENT CORPORATION

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	583,505
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	0
9 Losses	0
10 Pension Trust	0
11 Rental	3,302,829
12 Research and Development	0
13 Salaries, Wages and Allowances	17,786,606
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	969,634
15 Taxes and Licenses	114,176
16 Transportation and Travel	1,908,420
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	0
b Professional Fees	5,704,573
c Security Services	0
d UTILITIES	2,571,418
e LISTING FEES	509,600
f SUBSCRIPTIONS	459,372
g REPAIRS AND MAINTENANCE	319,951
h OTHERS	1,489,069
i	0
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	35,719,153

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*			0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P4

Taxpayer Identification Number (TIN)	Registered Name
008 - 541 - 419 - 000	REPOWER ENERGY DEVELOPMENT CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	0
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	35,719,153
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	(35,719,153)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

	Net Operating Loss		
	Year Incurred	A) Amount	B) NOLCO Applied Previous Year
4	2024	35,719,153	0
5	2023	71,875,705	0
6	2022	29,848,786	0
7	2021	44,508,212	0

Continuation of Schedule IIIA (Item numbers continue from table above)

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) *[E = A Less (B + C + D)]*
4	0	0	35,719,153
5	0	0	71,875,705
6	0	0	29,848,786
7	0	0	44,508,212
8	**Total NOLCO** *(Sum of Items 4D to 7D) (To Part IV, Item 36)*	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)

	Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1		0	0	0
2		0	0	0
3		0	0	0

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
	Total Excess MCIT Applied *(Sum of Items 1F to 3F) (To Part IV Item 47)*		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

1	Net Income/(Loss) per books	59,363,373
	Add: Non-deductible Expenses/Taxable Other Income	
2	NON DEDUCTIBLE EXPENSES	5,270,192
3	RETIREMENT BENEFITS	798,955
4	Total *(Sum of Items 1 to 3)*	65,432,520
	Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	DIVIDEND INCOME	99,390,000
6	OTHERS	1,761,673
6.1	SHARE IN NET INCOME OF AN ASSOCIATE	1,263,999
6.2	INTEREST INCOME SUBJECTED TO FINAL TAX	497,674
	B) Special Deductions	
7		0
8		0
9	Total (Sum of Items 5 to 8)	101,151,673
10	Net Taxable Income/(Loss) (Item 4 Less Item 9)	(35,719,153)