COVER SHEET

SEC Registration Number

2022030044636-59

Company Name

P R E M I E R E   I S L A N D   P O W E R   R E I T
C O R P O R A T I O N

Principal Office (No./Street/Barangay/City/Town)Province)

4 T H   F L O O R   S T A R M A L L   I T   H U B   C V
S T A R R   P H I L A M L I F E   P A M P L O N A   D O S
L A S   P I N A S   C I T Y   1 7 4 7

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Company's Facsimile Number
IR@preit.com.ph	(02)8734-5732/ (02)8775-8072	N/A

Month Day of Fiscal Year	Month Day of Annual Meeting
December 31	April 21

CONTACT PERSON INFORMATION

Name of Contract Person	Email Address	Mobile Number	Facsimile Number
Caren Kay B. Adolfo	carenkay_adolfo@optax.com.ph	09175377248	

FORM TYPE	Department requiring report	Secondary License Type, if applicable
17 - A		

To be accomplished by SEC personnel

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PSE Number: ________
SEC Number: 2022030044636-59
File Number: ________

Premiere Island Power REIT Corporation

(Company's Full Name)

4th Floor Starmall IT Hub, CV Starr, Philamlife, Pamplona Dos, Las Piñas City 1747

(Company Address)

+63(2) 8734 5732 / +63(2) 8775 8072

(Telephone Number)

December 31, 2024

(Year Ending)

Annual Report- SEC Form 17-A

(Form Type)

N/A

(Amendments – if applicable)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1. **31 December 2024**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **2022030044636-59**

3. BIR Tax Identification No. **607-224-091-00000**

4. **PREMIERE ISLAND POWER REIT CORPORATION**
   Exact name of issuer as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **4th Floor Starmall IT Hub, CV Starr, Philamlife, Pamplona Dos, Las Piñas City**
   Address of principal office

   1747
   Postal Code

8. **+63(2) 8734 5732 / +63(2) 8775 8072**
   Issuer's telephone number, including area code

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK	**3,288,669,000**

11. Are any or all these securities listed on a stock exchange?

x [✔]**Yes** [ ] **No**

Stock Exchange: **Philippine Stock Exchange**
Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
[✔]**Yes** [ ] **No**

(b) has been subject to such filing requirements for the past 90 days:
[✔]**Yes** [ ] **No**

13. Aggregate market value of the voting stock held by non-affiliates: ₱3,602,446,415.68

14. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:
2024 Audited Financial Statements (incorporated as reference for Items 6, 7 and 12 of SEC Form 17-A)

Table of Contents

PART I – GENERAL INFORMATION

Item 1. Business

Background of Business

Premiere Island Power REIT Corporation (the **Company** or **PREIT**) was registered with the Securities and Exchange Commission (**SEC**) on 4 March 2022, originally under the name Premier Island Holding Corporation, primarily to engage in investment activities as an investment holding company. On 9 November 2022, the SEC approved the change in name of the Company to its current name and the change in its primary purpose to that of a real investment trust company. PREIT is a real estate investment trust (**REIT**) incorporated under the Philippine Real Estate Investment Trust Law (Republic Act No. 9856) listed with the Philippine Stock Exchange (**PSE**) on 15 December 2022. As of 31 December 2024, gross leasable area (**GLA**) of the property portfolio totaled to 30,666 sq. m.

PREIT has an authorized capital stock of P7,500,000,000.00 divided into 7,500,000,000 common shares with a par value of P1.00 per share. As of 31 December 2024, 3,288,669,000 common shares of the Company are issued and outstanding.

PREIT is envisioned to be the power and infrastructure REIT platform of the PAVI Group, consisting of Prime Asset Ventures, Inc. (**PAVI**) and its subsidiaries, including S.I. P0wer Corporation and Camotes Island Power Generation Corporation (the **Sponsors**), and aims to be among the leading power and infrastructure REITs in the Philippines in terms of portfolio, profitability, growth, sustainability, and dividend yield.

The principal investment mandate and strategy of the Company is to invest on a long-term basis in critical real estate and infrastructure that will not only expand its portfolio but will also enable the Company to attain its objective of meaningfully contributing to the promotion of clean, renewable and sustainable energy, as well as continue its progress on expanding social and missionary electrification.

Sponsors

S.I. P0wer Corporation (**SIPCOR**) and Camotes Island Power Generation Corporation (**CAMPCOR**), sponsors of the REIT, are corporations organized under the laws of the Philippines.

SIPCOR was incorporated in the Philippines and registered with the SEC in September 2011. Its primary purpose is to buy, acquire, lease, construct, maintain, and operate plants, work systems, poles, pole wire, conduit, ducts and subway for the production, supply, distribution and sale of electricity for light and power and any other use to which electricity may be applied. Its power plant facilities currently have an aggregate installed capacity of 12,870 kW for the Candanay Sur grid and the Lazi grid in Siquijor. SIPCOR is a wholly-owned subsidiary of PAVI.

CAMPCOR was incorporated in the Philippines and registered with the SEC in September 2019. Its primary purpose is to buy, acquire, lease, construct, maintain, and operate plants, work systems, poles, pole wires, conduits, ducts, and subways for the production, supply, distribution, and sale of electricity for light and power and any other use to which electricity may be applied. Its first power plant facilities have an aggregate installed capacity of 6,984 kW for the Camotes main grid, and 1,280 kW for the Pilar grid, both in the province of Cebu. CAMPCOR is the sole power provider for Pilar Island and Camotes Island.

The Sponsors of the Company are constantly monitoring opportunities for the acquisition via purchase or long-term lease of lands and other areas that may further be utilized for the development, construction, operation, and maintenance of power generation facilities and which will eventually form part of the income generating real estate portfolio of the Company. The Company believes that its shareholders and affiliates' land bank and their array of expansion projects currently in the development pipeline provide meaningful and realizable opportunities for strategic growth and expansion and give strong investors strong indications of further revenue growth in the near future.

Fund Manager

PREIT's fund manager is VFund Management, Inc. (formerly Communities Palawan, Inc.) (**VFund** or the **Fund Manager**). It was incorporated on 8 November 2011 with the primary purpose of engaging in the business of a real estate dealer and all alike undertakings. The Fund Manager has an 11-year track record in the development of real estate industry. The Fund Manager is a wholly-owned subsidiary of Communities Philippines, Inc. which in turn is a wholly-owned subsidiary of Vista Land & Lifescapes, Inc.

The Fund Manager's main responsibility is to manage the Company's assets and liabilities for the benefit of our Shareholders, with a focus on investment yields and profitability margins. Currently, the Fund Manager has the President, CFO and its Chief Audit Executive as its full-time employees, each of whom have track records and experience in financial management and the real estate industry of at least 10 years prior to joining the Fund Manager.

Under the Fund Management Agreement, the Fund Manager will receive an annual fund management fee equivalent to 0.5% of the Company's Rental Income less straight-line adjustments, exclusive of value added taxes.

In addition, the Fund Manager shall be entitled to receive from the Company an acquisition fee equivalent to 0.5% of the acquisition price, for every acquisition, exclusive of value-added taxes. The Fund Manager shall likewise be entitled to receive a divestment fee of 0.5% of the sales price for every property divested, exclusive of value-added taxes.

Property Manager

PREIT's Property Manager is VProperty Management, Inc. (formerly LET Ventures, Inc.) (**VProperty** or the **Property Manager**), which was incorporated on 6 August 2019. Its primary purpose is to engage in the business of providing property management, lease management, marketing, project management, and such other duties and functions necessary and incidental to property management. The Property Manager is a wholly-owned subsidiary of Vista Residences, Inc., which in turn is a wholly-owned subsidiary of Vista Land & Lifescapes, Inc.

As of 31 December 2024, the directors and executive officers of the Property Manager have over 20 years of accumulated experience in commercial real estate operations, leasing, and property management.

Under the Property Management Agreement, the Property Manager will receive an annual management fee equivalent to 1.5% of the Company's Annual Rental Income less straight-line adjustments, exclusive of value added taxes, provided that the total of such fee (the "Property Management Fee") and the Fund Management Fee shall not exceed 1.0% of the Net Asset Value of the properties being managed, as provided under the rules of the REIT Law.

Competition

The Company's and its Lessees' main competition in the Philippine electricity market are coal, oil and natural gas electricity generators as well as other renewable energy suppliers who use hydro, wind, geothermal and solar PV technologies. The market price of commodities, such as natural gas and coal, are important drivers of energy pricing and competition in most energy markets, including in the Philippines.

In respect of the renewable energy power industry, the Lessees' main competitors are WEnergy, One Renewable, Petroenergy Resources Corporation, Solar Para Sa Bayan, InFunde Development, and Pilipinas Shell Foundation.

In respect of other REITs with a similar portfolio, the Company's main competitor is Citicore Energy REIT Corp.

Transactions With and/ or Dependence on Related Parties

In the ordinary course of the Company's business, it engages in a variety of transactions with related parties. Pursuant to the REIT Law, the Company's related parties include the Sponsors, the Fund Manager, and the Property Manager.

The Company's related party transaction policy ensures that these transactions are entered into on terms, which are not more favorable to the related party than those generally available to third parties dealing on an arm's length basis, and are not detrimental to unrelated shareholders. All related party transactions shall be reviewed by the appropriate approving body, as determined by the Board, to ensure that the Company's resources are not misappropriated or misapplied. (For more information, see Audited Financial Statements, Note 15).

Risks Associated with the Company's Business

PREIT's business and prospects are heavily dependent on the performance of the Philippine economy and the Philippine real estate market. Any downturn in the general economic conditions in the Philippines or the Philippine real estate market could have a material adverse impact on PREIT.

The Properties are all located in the Philippines, particularly in Siquijor and Cebu. Any downturn in the general economic conditions in the Philippines, in general, or the Philippine real estate market, in particular, could have a material adverse impact on the Company.

Factors that have historically adversely affected and that may adversely affect the Philippine economy, or the real estate market include the following:

- decreases in business, industrial, manufacturing, or financial activity in the Philippines or the global market;
- decreases in the amount of remittances received from overseas Filipinos, including OFWs and Filipino expatriates;
- decreases in or changes in consumption habits in the Philippines;
- general demand and supply of properties in the Philippines;
- decreases in property values;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines or in the global market;
- the sovereign credit ratings of the Philippines;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in the Government's taxation policies;
- natural disasters, including typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism, or military conflict in the Philippines, other countries in the region, or globally; and
- other regulatory, political, social, or economic developments in or affecting the Philippines.

The Company believes this risk can be managed through the Company's strengths and strategies to ensure competitiveness in the market. However, there is no assurance that the Company can provide an effective mitigation to such risk.

The Company's and its lessees' businesses are exposed to the risks inherent in the Philippines energy market.

The Company's business comprises the leasing or subleasing of the Properties to the Sponsors who operate power plants on such properties. As such, the Company's prospects and results of operations are highly dependent on the success of the Philippine energy market as a whole.

There can be no assurance that the Philippine energy market will stabilize or continue to expand. Reduced levels of economic growth, adverse changes in the country's political or security conditions, or weaker performance of or slowdown in industrial activities may adversely affect the demand for, and price of, energy generated by the Company's and its lessees' power plants. In particular, the global economic downturn resulting from the COVID-19 pandemic has resulted in an economic slowdown and negative business sentiment, which may continue to affect the outlook on the Philippine energy market, which could materially and adversely affect our results of operations. Moreover, the Company cannot foresee when the disruptions to industrial or business activities caused by the outbreak of COVID-19 will cease.

The Company's lessees, as power plant operators, are subject to risks inherent in the power generation industry, and there is no assurance the lessees will continue to be able to support such guaranteed payments in the future. The Company believes it can manage these risks through its land lease rental rates for its Properties that are largely composed of guaranteed base lease which are independent of the operating performance of the relevant lessee's power plants. In addition, in line with its principal investment mandate and strategy, the Company aims to be one of the key players in the renewable energy industry. As such, the Company believes that the "first or must" dispatch of renewable energy over conventional energy sources such as coal or diesel, and other Government initiatives to promote and encourage the growth of the renewable energy industry in the Philippines help manage the risk of a downturn in demand for energy in the Philippines. Furthermore, the Company and the Fund Manager take a prudent approach to financial management, which includes closely monitoring the Company's capital and cash positions and maintaining discipline in the Company's capital commitments.

The Government may amend, revoke, reduce, or eliminate subsidies and economic incentives for renewable energy and National Power Corporation – Small Power Utilities Group, which could impact the profitability of the power plants of the Company's Lessees located on the Leased Properties or the Properties to be Acquired.

Because the Properties and properties to be acquired focus on energy-generating projects, the Company's future profitability depends on the support of the Government for the renewable energy sector, including the Government's ability to increase FIT rates and expand the FIT system to new renewable energy projects. Under Republic Act 9513 or the Renewable Energy Act of 2008, the National Renewable Energy Board (**NREB**) is mandated to formulate and promulgate feed-in tariff system rules, which cover, among others, the following:

- Priority connections to the grid for electricity generated from emerging renewable energy resources within the Philippines
- Priority purchase and transmission of, and payment for, such electricity by the grid system operators
- Determine fixed tariff to be paid to qualified renewable energy

The revocation, reduction, modification or elimination of government mandates and economic incentives could materially and adversely affect the growth of the renewable energy industry or result in increased price competition, either of which could cause the Company's revenues to decline and materially and adversely affect the Company's results of operations.

While the Company believes that renewable power projects may continue to offer attractive internal rates of return, any changes that reduce or eliminate subsidies may cause a decrease in demand and considerable downward pressure on market prices and the value of the Company's and its lessees' power plants and the Company's Properties. The Company believes that it is able to manage the foregoing risks as the development of new renewable energy technologies has and will continue to result in higher capacity factor and lower capital expenditure for the development of renewable energy power projects and will reduce the importance of Government incentives and subsidies in making renewable energy power projects attractive and viable investments in the future. However, there is no assurance that such technologies will continue to be developed, or that the Company or its lessees will be able to take advantage of such technologies in the future without having to incur significant capital expenditure or at all. The Company also believes that any action by the Government to revoke any incentives will require a significant shift in policy, involving both executive and legislative branches of the Government, and extensive discussions with stakeholders in the renewable energy industry and the financial sector.

The Company operates in a highly competitive REIT market, and any inability to effectively compete could limit the Company's ability to maintain or increase its market share and maintain or increase profitability.

The Company operates as a real estate investment trust, holding assets that operate in the power generation industry. PREIT's future growth and development are dependent, in large part, on the availability of land and other assets suitable for acquisition, development, or lease. It may become more difficult to find suitable properties in locations and at prices acceptable to the Company. To the extent that the Company is unable to grow its portfolio at acceptable prices, its growth prospects could be limited, and its business and results of operations could be adversely affected.

Competition from other real estate developers and real estate service companies may also adversely affect the Company's ability to grow its portfolio. In addition, continued development by other market participants could result in the saturation of the market.

The Company believes this risk can be managed through the Company's strengths and strategies to ensure competitiveness in the market. However, there is no assurance that the Company can provide an effective mitigation to such risk.

Certain portions of the land underlying the SIPCOR Properties are not owned by the Company but are instead leased from NPC. Any amendment or termination of the lease agreement could affect the Company's operations.

Certain portions of the land underlying the SIPCOR Properties are leased by the Company from NPC. If the land lease agreements of the Company are amended, terminated, or canceled, including as a result of any of the market-standard events of default included in such agreements, the Company and its lessees could face a substantial disruption to their operations and such circumstances would have a material adverse effect on the Company's business, financial condition and results of operations, including on the Company's ability to make distributions. Similarly, the non-renewal of the lease agreements upon expiration thereof may have a material adverse effect on the Company's business, financial condition, and results of operations.

To manage these risks, the Company intends to register its leases with the relevant land registries in the Philippines to protect its rights against third parties. The Company believes it is also able to manage this risk through contractual remedies and safeguards in its contracts, which generally includes a prohibition on the NPC (as lessor) from assigning the lease without the consent of the Company (as lessee), and includes the explicit consent of NPC to the registration of the lease. The Company has complied with its obligations under the land lease agreements and has not caused any event of default. The Company and the Property Manager shall also continue to actively monitor the Company's compliance with its obligations under the Company's land lease agreements to ensure that the Company does not trigger an event of default which could lead to the termination of such land lease agreements.

The Company shall likewise ensure that the term of the lease agreements shall coincide with the term of the PSAs of SIPCOR. At this time, SIPCOR has two PSAs (SIPCOR PSA 1, and SIPCOR PSA 2) and two lease agreements with NPC. Both lease agreements will expire in 2034, while one of the PSAs (SIPCOR PSA 2) has an end-term of 2040. To ensure that the terms of the lease with NPC shall cover until the end of the term of both SIPCOR PSAs, the Company has submitted a letter to NPC requesting for extension of the lease agreements to have an end-term of 2040, which is the same validity period of SIPCOR PSA 2. The Company intends to pursue further discussions with NPC regarding such proposed extension of the term of lease agreements.

Certain portions of the land underlying the SIPCOR Properties are not owned by the Company, and titles or interest over such land leased by the Company may be contested by third parties.

Certain portions of the land underlying the SIPCOR Properties are not owned by the Company. If the Company's operations are affected by any issues regarding such lands, the Company could be in breach of its lease agreements with its lessees and may have to settle reparations with the affected parties. The Company's entitlement to rental payments may also be materially and adversely affected. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition, and results of operations.

The lease agreements between the Company as lessee and National Power Corporation (**NPC**) as lessor, cover parcels of land (with an aggregate area of 9,478 sq.m.) that form part of the properties subleased to SIPCOR. However, such parcels of land that the Company subleases to SIPCOR has no registered title in the name NPC. The Company recognizes that NPC has no registered title in its name over such leased area.

Under Philippine Law, a land title issued by the Register of Deeds shall be deemed as conclusive ownership over a piece of land against the whole world. Given that the NPC does not have registered title over the land it is currently leasing to the Company, which is, in turn, subleased to SIPCOR, the Company runs the risk of the plot of land being subject to any conflicting claim or ownership dispute, should another person claim that he or she owns the land.

To manage these risks, the Company will continue to monitor the NPC's efforts in perfecting its ownership through registration with the Registration of Deeds of the property during the term of the agreement. The Company believes it is also able to manage this risk through contractual remedies and safeguards in its contracts, which includes NPC's warranty that it has been in exclusive and peaceful possession over the same from the time of its acquisition.

There is a pending civil case between NPC and third-party claimants with respect to certain portion of the land underlying the SIPCOR Properties leased by the Company from NPC.

Currently, there is a pending civil case between NPC and third-party claimants over a portion of the Siquijor Diesel Power Plant Land which NPC is leasing to the Company located in Candanay Sur, Siquijor, Siquijor, with an area of 2,427 sq.m.

The Company was advised by the NPC that the parties are undergoing mediation proceedings with respect to such civil cases. Nonetheless, PREIT has been advised by the NPC that it is actively pursuing its claims on the property and is intent on preserving and protecting its ownership of the relevant affected portion of the land. The NPC also believes that there is no merit to the claim as all payments for the ownership of the land have been made by the NPC to the third-party claimant. For more information on this claim, please refer to the discussion under "Legal Proceedings".

In the event that an adverse decision is rendered against NPC which will result in the eviction of the Company from the affected portion of the land, the Company and SIPCOR believe that occupation by the third-party claimant of the relevant portion of the project site will not materially affect SIPCOR's ability to continue its power generation operations nor its results of operations. In such scenario, SIPCOR has contingency plans for the relocation of the relevant generation facilities located within the affected areas under litigation, to another portion of the land which is not subject to litigation or third-party claims. Such generation facilities and plant assets can be easily transferred to other areas of the property which are not covered by the third-party claim, considering that such assets are not permanently affixed to the 2,427 sq. m plot of land.

Should there be such interruption in business caused by the relocation of the equipment from the affected area, it will likely be for approximately one to two months only. Furthermore, any anticipated loss in generation capacity during the relocation period may be minimized through temporary lease generation facilities from third parties. The Company may also lease or purchase the affected property from the third-party claimant.

The Properties are subject to the risk of losing revenue in the event they are rendered inoperable for an indefinite time period due to force majeure events, and the Property Manager and the Lessees may be required to undertake significant repair and replacement works.

If any of the power plants comprising the Properties are rendered inoperable due to force majeure events, there can be no assurance that the Lessees will be able to successfully achieve the projected net electricity generation values, which could materially affect the Company's and its Lessees' business prospects, financial condition, results of operations and cash flow. The Company's revenues and its Lessees' net operating revenue will also be affected, which could materially and adversely affect the amount of Distributable Income available to the Company for distribution to its Shareholders.

To manage these risks, the Lessees, who are responsible for securing the relevant insurance policies and undertaking any repair or maintenance works on the Properties leased from the Company, maintain comprehensive insurance policies that cover business interruption. However, there can be no assurance that the Lessees' insurance policies will cover repair and replacement costs, whether partially or fully, which could materially affect the Company's or its Lessees' business, prospects, financial condition, results of operations, and cash flows.

The Company's power plant assets are subject to the risk of losing revenue in the event they are rendered inoperable for an indefinite time period due to force majeure events, and the Company and the Lessees may be required to undertake significant repair and replacement works.

The operations of the power plants located on the Company's Leased Properties are subject to a number of risks generally associated with the generation of electricity. These risks could include typhoons, fires, earthquakes and other natural disasters and calamities, breakdowns, failures or substandard performance of equipment, improper installation or operation of equipment, accidents, acts of terrorism, operational and logistical issues, and labor disturbances.

These events may cause personal injury and loss of life and damage to, or the destruction of, property and equipment of the power plants located on the Company's Leased Properties and may result in the limitation or interruption of the Company's and its lessees' business operations and the imposition of civil or criminal liabilities.

If any of the Company's power plant assets are rendered inoperable due to force majeure events, such as damage caused by weather conditions, there can be no assurance that the Lessees will be able to successfully achieve the projected net electricity generation values, which could materially affect the Company's and its Lessees' business prospects, financial condition, results of operations and cash flow. The Company's revenues and its Lessees' net operating revenue will also be affected, which could materially and adversely affect the amount of Distributable Income available to the Company for distribution to its Shareholders.

To manage these risks, the Company and its Lessees maintain comprehensive insurance policies that cover business interruption. The insurance policies also insures against, but not limited to "all risks" of sudden and accidental physical loss or damage to real or personal properties or to the insured properties and interests of every kind and description used for in connection with the ownership, maintenance and operation of the relevant Properties from whatever cause not specifically excluded in the policy. Pursuant to the REIT Regulations, each Property is covered up to the market replacement value and at the time of the loss, with such value to be determined at the time of loss (according to a formula prescribed under the relevant insurance coverage) and loss of rental.

However, there can be no assurance that the Company's or its Lessees' insurance policies will cover repair and replacement costs, whether partially or fully, which could materially affect the Company's or its Lessees' business, prospects, financial condition, results of operations and cash flows.

Significant Transactions During 2022

Increase in Authorized Capital Stock

At the duly constituted meeting of the Board of Directors of the Company held on March 9, 2022, the increase in the authorized capital stock of the Company to P7,500,000,000.00, divided into 7,500,000,000 common shares, with a par value of P1.00, was approved by the affirmative vote of at least a majority of the members of the Board of Directors.

The aforementioned increase in the authorized capital stock of the Company was approved by the affirmative vote of stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of the Company at a meeting held on the same date at the same venue. On 31 May 2022, the SEC approved the increase in authorized capital stock.

Execution of Deed of Assignment and Subscription

Out of the increase in the authorized capital stock of the Company, 3,288,664,000 common shares have been subscribed at an aggregate subscription price of P8,221,660,000.00, and the Sponsors, as subscribers, have paid their respective subscriptions in full by way of transfer of the Properties (consisting of real and personal properties and certain real rights). On 31 May 2022, the Company and Sponsors executed a deed of assignment whereas the Sponsors cede, assign and transfer to the Company, in a manner absolute and irrevocable, the parcels of land located in Candanay, Siquijor, Lazi, Siquijor, Poro, Cebu and Pilar, Cebu, including the buildings located in the said parcels of land, to the REIT, in consideration for the issuance of REIT"s shares. The property-for share swap transaction, forming part of the capital increase of the REIT, was also approved by the SEC on May 31, 2022. The requisite Certificates Authorizing Registration (**CARs**) authorizing the transfer of legal title to the Properties from the Sponsors to the Company were issued on September 2, 2022. The parcels of land include the land owned by the NPC to which the lease right was also assigned to the REIT as approved by the NPC. The lease has an original term of 20 years with renewal option, subject to mutual agreement of both parties, and an escalation rate of 20% every five years. By virtue of the Property-for-Share Swap, the Sponsors acquired further control of the Company, through an aggregate ownership interest of 100% of the total issued and outstanding capital stock of the Company.

Cash Dividend Declaration

On 11 July 2022, the BOD approved the declaration of cash dividends amounting to P2.0 million from its unrestricted retained earnings payable to stockholders of record as of 11 July 2022. The dividends were paid on 29 August 2022.

Initial Public Offering Through Secondary Offer of Shares

On 15 December 2022, the Company successfully completed its P2.4 billion initial public offering (**IPO**) through secondary sale of shares held by its Sponsors, debuting with an initial portfolio of eight properties with a total gross leasable area of 30,666 square meters.

Significant Transactions During 2023

Cash Dividend Declaration

During the year, the BOD approved the declaration of the following dividends from its unrestricted retained earnings payable to stockholders.

Date of Declaration	Payment Date	Cash Dividend per Share		Total
April 28, 2023	May 26, 2023	0.0682	P	224,287,226
June 22, 2023	July 17, 2023	0.0299		98,331,203
September 8, 2023	September 29, 2023	0.0359		118,063,217
			P	440,681,646

Significant Transactions During 2024

Cash Dividend Declaration

During the year, the BOD approved the declaration of the following dividends from its unrestricted retained earnings payable to stockholders.

Date of Declaration	Payment Date	Cash Dividend per Share		Total
February 5, 2024	March 12, 2024	0.0388	P	127,600,357
April 14, 2024	May 13, 2024	0.0388		127,600,357
May 27, 2024	June 28, 2024	0.0326		107,210,609
August 29, 2024	September 27, 2024	0.0326		107,210,609
November 28, 2024	December 27, 2024	0.0325		118,881,744
			P	576,503,676

Item 2. Properties

The Company's principal investment strategy is to invest in income-generating real estate. A core tenet of the Company's investment policy is to invest in properties that meet a select set of criteria designed to provide a competitive investment return to investors once said properties are in operation.

To meet the Company's investment criteria, a potential property should:

- be capable of being efficiently utilized for renewable energy, including whether that property meets specific technical considerations such as proximity to existing connection assets or other related infrastructure;
- may be utilized for hybrid power generation facilities consisting of (i) renewable energy, and (ii) either (a) energy storage systems, (b) baseload power generation facilities, or (c) both;
- to the extent the property may best be utilized for social or missionary electrification, may be located in underdeveloped or missionary areas where the Company, the Sponsors, and/or the companies under the PAVI Group have completed and validated the availability and reliability of renewable energy resources, and such areas have the potential to drive long-term sustainable growth; and
- serve as an effective site for potential power generation lessees who are or will be well-placed to secure long-term offtake agreements with local electric cooperatives or distribution utilities in the absence of national-level electricity procurement programs such as the Feed-in Tariff (FIT), the Green Energy Auction Program (GEAP), or such successor programs headed or managed by the Department of Energy.

As of 31 December 2024, the property portfolio of the Company consists of land and power plant assets utilized in the power generation projects of the Sponsors.

The properties used in the operation of the 12.8 Megawatt (MW) heavy fuel oil (HFO)-fired power plants of SIPCOR located in Candanay Sur and Lazi, Siquijor (**SIPCOR Power Plants**) consist of (a) power plants assets such as HFO diesel generator sets and perimeter fence; (b) building that houses physical structures such as an administrative office, control room, warehouse, guard house, staff house, material recovery facility, workshop, firefighting shed, fuel tank farm, and fuel pump station; and (c) parcels of land (including the 3,000 sq.m. parcel of land located in Lazi, Siquijor, which is owned by the Company, and leasehold rights to 9,478 sq.m. parcel of land located in Candanay Sur, Siquijor) where the SIPCOR Power Plants are located (collectively, the **SIPCOR Properties**). GLA of each property are summarized in the following table.

SIPCOR Properties	GLA
Land – Candanay, Siquijor	9,478 sq.m.
Land – Lazi, Siquijor	3,000 sq.m
Building - Candanay, Siquijor	353.2 sq.m.
Powerplant Assets – Candanay Siquijor	607 sq.m

The properties used in the operation of the 8.4 Mw power plants of CAMPCOR located in Poro and Pilar, Camotes Island, Cebu (**CAMPCOR Power Plants**), consist of (a) buildings or powerhouse stations that house physical structures such as water treatment unit, staff house, radiator unit, fire pump house, guard house, oil-water separator, material recovery facility, reverse osmosis house, transformer house, warehouse, and administrative office; and (b) 16,406.5 sq.m. parcels of land owned by the Company where such buildings are located (collectively, the **CAMPCOR Properties**, and together with the SIPCOR Properties, the **Properties**). GLA of each property are summarized in the following table.

CAMPCOR Properties	GLA
Land - Camotes, Cebu	8,468 sq.m.
Land – Pilar, Cebu	7,938.5 sq.m.
Building – Camotes, Cebu	577.3 sq.m.
Building – Pilar, Cebu	244 sq.m

All the Properties are leased to the Sponsors and are being used by the latter to operate the SIPCOR Power Plants and the CAMPCOR Power Plants, with a total combined installed capacity of 21.2 MW.

As of 31 December 2024, all of the Properties registered occupancy rate is 100%.

PREIT continuously seeks opportunities to acquire properties in prime locations through purchase or otherwise to increase its leasable assets.

Item 3. Legal Proceedings

As of the date of this Annual Report, there is no pending or threatened litigation involving the Company or any of its Properties which would have a material adverse effect on the business or financial position of the Company or any of its subsidiaries, or any of its or their properties.

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

No matter was submitted during the year 2024 to a vote of security holders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market Information

PREIT's common shares are traded on the PSE under the symbol PREIT. The shares were listed on 15 December 2022.

The following table sets out, for the periods indicated, the high and low sales prices for the Company's common shares as reported on the PSE:

2024	High	Low
First Quarter (January to March)	1.63	1.52
Second Quarter (April to June)	1.98	1.57
Third Quarter (July to September)	2.05	1.80
Fourth Quarter (October to December)	2.40	1.66

Market price of the shares as of 31 December 2024 was P2.21 per share based on the closing price.

Holders

As of 31 December 2024, the Company's total common shares issued and outstanding is 3,288,669,000 held by 12 shareholders of record. The following table sets forth the shareholders of the Company as of 31 December 2024.

Rank	Name	Holdings	Percentage of Ownership
1	PCD Nominee Corporation – Filipino	1,606,774,000	48.86%
2	S.I. Power Corporation	845,589,861	25.71%
3	Camotes Island Power Generation Corporation	834,839,132	25.39%
4	PCD Nominee Corporation - Non Filipino	1,464,000	00.04%
5	Jennifer T. Ramos	2,000	00.00%
6	Cynthia J. Javarez	1	00.00%
7	Garth F. Castaneda	1	00.00%
8	Jose Rommel C. Orillaza	1	00.00%
9	Leonardo A. Singson	1	00.00%
10	Manuel Paolo A. Villar	1	00.00%
11	Maria Isabel J. Rodriguez	1	00.00%
12	Timothy Joseph M. Mendoza	1	00.00%
	Total	3,288,669,000	100.00%
	Shares Owned by Foreigners	1,464,000	00.04%

Dividend Policy

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law which requires a REIT to distribute annually a total of at least 90% of its distributable net income as adjusted for unrealized gains and losses/expenses and impairment losses, and other items in accordance with generally accepted accounting standards (excluding proceeds from the sale of the Company's assets that are reinvested in the Company within one year from the date of the sale) as dividends to its shareholders. Such dividends shall be payable only from the unrestricted retained earnings, and the income distributable as dividends shall be based on the audited financial statements for the most recently completed fiscal year prior to the prescribed distribution.

The Company may declare either cash, property, or stock dividends. However, the declaration of stock dividends must be approved by at least a majority of the entire membership of the Company's Board, including the unanimous vote of all its independent Directors, and stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular meeting or special meeting called for that purpose. Any such stock dividend declaration is also subject to the approval of the Securities and Exchange Commission (SEC) within five working days from receipt of the request for approval. If the SEC does not act on the said request within such a period, the declaration shall be deemed approved.

The Company intends to declare and pay out dividends on a quarterly basis each year. In 2022, 2023 and 2024, PREIT has declared and paid out cash dividends as follows:

Date of Declaration	Record Date	Payment Date	Cash Dividend per Share (in PhP)
July 11, 2022	July 11, 2022	August 29, 2022	0.0100
April 28, 2023	May 12, 2023	May 26, 2023	0.0682
June 22, 2023	July 7, 2023	July 17, 2023	0.0299
September 8, 2023	September 23, 2023	September 29, 2023	0.0359
February 5, 2024	February 20, 2024	March 12, 2024	0.0388
April 14, 2024	April 26, 2024	May 13, 2024	0.0388
May 27, 2024	June 11, 2024	June 28, 2024	0.0326
August 29, 2024	September 13, 2024	September 27, 2024	0.0326
November 28, 2024	December 13, 2024	December 27, 2024	0.0325

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations (Financial Performance)

Review of results of operations for the year ended 31 December 2024 and 2023. PREIT was incorporated on 4 March 2022 and started its commercial operations in June 2022.

Revenue increased from P643.8 million to P695.6 million

Revenues during the period solely pertains to income from the lease of properties to the lessees who operate power plants on such leased properties. The amount of revenue recognized was in accordance with the relevant Philippine Financial Reporting Standards (PFRS). Under PFRS 16, the rental income includes the effect of the straight-line basis of accounting over the lease term. The revenue is P51.8 million higher due to the increase of variable lease income recognized for the year. No additional lease agreements has been entered into during the year.

Cost of rentals increased from P70.8 million to P85.8 million

Cost of rentals which amounted to P85.8 million or equivalent to 12.0% of rental income consisted of depreciation of generation assets, fund and property management fees and various fees and taxes. The increase of P15.0 million is mainly attributed to increase in depreciation and taxes.

Operating Expenses increased from P4.7 million to P6.9 million

Operating expenses amounted to P6.9 million for the period or equivalent to 1.0% of rental income. These mainly pertain to professional fees and administrative fees incurred during the period. Higher sales from prior year resulted to higher administrative expense specifically in business permit for the year.

Net Other Income (Charges) amounted to P86.1 million and P213.1 million in 2024 and 2023, respectively

Based on the appraisal of properties, the value of the investment properties resulted in a P86.5 million fair value gain for the year ended December 31, 2024, as compared to a fair value gain of P213.5 million for the year ended 31 December 2023. The fair values of the investment properties were determined by independent and SEC-accredited property appraisers. Finance cost on lease liability during the period amounted to P0.4 million while interest on bank deposits increased to P4,506.

As a result, PREIT registered a net profit for the period amounting to P656.0 million.

Other Comprehensive Income decreased from P67.1 million to P63.9 million
Items reported in Other Comprehensive Income pertain to the revaluation increase of property and equipment which amounted to P63.9 million for the year ended 31 December 2024 and P67.1 million for the year ended 31 December 2023. Total comprehensive income amounted to P719.9 million for the year ended 31 December 2024 and P771.1 million for the year ended 31 December 2023.

Financial Position as of 31 December 2024

Assets

Cash decreased from P 51.9 million to P 0.9 million
The net decrease in cash balance is due to the settlement of payables and distribution of cash dividends on 12 March 2024 amounting to P127.6 million, on 13 May 2024 amounting to P127.6 million, on 28 June 2024 amounting to P107.2 million, on 27 September 2024 amounting to P107.2 million and on 27 December 2024 amounting to P106.9 million. Quarterly dividends were paid during the year out of the distributable income for each the quarters from 1 July to 31 December 2023 and 1 January 2024 to 30 September 2024.

Trade and other receivables decreased from P 1.1 billion to P 889.5 million
The decrease in trade and other receivables is directly attributable to higher collections of rentals compared to billings during the year.

Prepayments and other current assets increased from P 43.0 million to P 55.0 million
The increase mainly pertains to the recognition of creditable withholding tax from the collections made. These will be utilized against any future income tax payable.

Net property and equipment increased from P934.5 million to P 961.5 million
Movement to property and equipment pertains to depreciation for the period and revaluation increase.

Investment properties increased from P 7.8 billion to P 7.9 billion
The Company's investment properties, which comprise of lands (including land subject to right-of-use of asset) and buildings leased out to power plant operators, increased in value by P86.5 million due to the appraisal of properties. There were no acquisitions and disposals made during the year.

Liabilities

Trade and other payables decreased from P 192.4 million to P 138.7 million
The decrease in trade and other payables is due to the settlement of liabilities during the year.

Due to related parties decreased from P 509.9 million to P 322.7 million
Due to related parties composed of cash advances from its parent company and a related party under common ownership for accommodation of certain expenses, working capital requirements, and other purposes. The decrease is primarily due to the settlement of the advances due to affiliates.

Lease liability (including non-current portion) decreased from P 6.2 million to P 5.8 million
Movements to the account were due to repayments and amortization during the year.

Equity

Equity increased from P 9.10 billion to P 9.24 billion
Total equity is higher in 2024 with increases in revaluation surplus and retained earnings. Revaluation reserves increased following the revaluation of property, plant and equipment under the revalution model.

Retained earnings increased as the company recognized a total comprehensive income of P719.9 million net of dividend declarations during the year.

Material Events and Uncertainties

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations, except for the recovery as a result of the opening up of the economy.

The Company is not aware of events that will cause a material change in the relationship between costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures. PREIT has no indebtedness with any bank.

Key Financial Ratios

PREIT's key financial ratio as of 31 December 2023 and 2024 are as follows:

Key Ratio	2024	2023
Earnings per share	0.20	0.21
Current ratio	2.05	1.63
Debt to Equity	0.06	0.08
Return on Asset	0.07	0.07
Return on Equity	0.07	0.08

The key ratios provide directors and management with a measure of liquidity (Current Ratio), financial strength (Debt to Equity), and profitability (Earnings per Share, Return on Asset, and Return on Equity). The Company was incorporated on 4 March 2022 and started its commercial operations in June 2022.

External Audit Fees and Services

Engagement fees for the services rendered by the Company's external auditors, Punongbayan & Araullo, are as follows:

Nature of Engagement	2024	2023
Year-end audit	P425,000	P400,000
Quarterly agreed-upon procedures on use of proceeds	-	P340,000

The Board of Directors, after consultation with the Audit Committee, recommends to the stockholders the engagement of the external auditors of the Company. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Philippine Securities and Exchange Commission, and affiliation with a reputable foreign partner. The professional fees of the external auditors of the Company are approved by the Company's Audit Committee after approval by the stockholders of the engagement and prior to the commencement of each audit season.

Item 7. Financial Statements

Financial Statements meeting the requirements of SRC Rule 68, as amended, are attached hereto as Exhibit 1 and incorporated herein by reference.

Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to reference thereto in their reports on the financial statements of the Company.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Board of Directors and Executive Officers

As of 31 December 2024, there are seven members of the Company's Board of Directors, three of whom are independent directors. As provided by Revised SRC Rule 38, an independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director.

The following are the names, ages, citizenship of the incumbent members of the Board of Directors and executive officers of the Company:

Name	Age	Citizenship	Position
Timothy Joseph M. Mendoza	43	Filipino	President, Chief Executive Officer and Director
Cynthia J. Javarez	61	Filipino	Chairman and Director
Manuel Paolo A. Villar	48	Filipino	Director
Jose Rommel C. Orillaza	57	Filipino	Chief Operating Officer and Director
Garth F. Castañeda	44	Filipino	Independent Director
Leonardo Singson	46	Filipino	Independent Director
Maria Isabel J. Rodriguez	41	Filipino	Independent Director
Cecille Marie H. Bernardo	53	Filipino	Treasurer and Chief Finance Officer
Vincent Kitto N. Jacinto	44	Filipino	Investor Relations Officer
Karen G. Empaynado[1]	38	Filipino	Corporate Secretary
Nielson G. Pangan	38	Filipino	Compliance Officer

Below are summaries of the business experience and credentials of the Directors and the Company's key executive officers:

Timothy Joseph M. Mendoza, *Director, President and CEO.* Atty. Mendoza, graduated from the Ateneo de Manila University with a degree in Bachelor of Arts Major in Political Science Minor in Hispanic Studies in 2002. He received his Bachelor of Laws from the University of the Philippines in 2006, ranking 9th highest grade overall in the 2006 Bar Examinations. He joined the law firm of Picazo Buyco Tan Fider & Santos in 2006 as a Junior Associate and became a Partner from 2014 to 2017. From 2017 to 2020, he worked as Partner for Quisumbing Torres, a member firm of Baker McKenzie International as the head of the Banking and Finance Practice Group, Financial Institutions Group, FinTech Focus Group, and Restructuring and Insolvency Focus Group. For the years 2018, 2019 and 2020, Atty. Mendoza was ranked as a Leading Lawyer for Banking and Finance by the Chambers and Partners Asia-Pacific. In 2020, he was also ranked as a Leading Lawyer for Corporate and Finance by the Chambers and Partners Global and a Rising Star for Banking and Financial Services by the AsiaLaw Leading Lawyers. For the years 2018 and 2019, he was cited as one of the Philippines' Top 100 lawyers in the A-List Top 100 Lawyers in the Philippines by the Asian Business Law Journal. Atty. Mendoza concurrently serves as the Corporate Secretary of Prime Asset Ventures, Inc. and its various subsidiaries. He is also a Professional Lecturer at the De La Salle University Tañada-Diokno College of Law and a member of the advisory committee at the Manila Central University.

Cynthia J. Javarez, *Chairman and Director.* Ms. Javarez, graduated from the University of the East with a degree in Bachelor of Science in Business Administration, major in Accounting. She is a Certified Public Accountant. She completed a Management Development Program at the Asian Institute of Management in 2006. Ms. Javarez was previously the Chief Financial Officer of Polar Property Holdings Corp. until 2011 and the Tax & Audit Head in the MB Villar Group of Companies until 2007. She is the current President

[1] As of the date of writing this report, Atty. Karen G. Empaynado has resigned as Corporate Secretary on January 16, 2025 and has been replaced by Atty. Caren Kay B. Adolfo.

of Fine Properties, Inc, and Treasurer and Chief Risk Officer of Vista Land & Lifescapes, Inc. Ms. Javarez is also the Chairman of Prime Asset Ventures, Inc. and Dusit Hospitality Education Philippines, Inc.

Manuel Paolo A. Villar, *Director.* Mr. Villar, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey &Co. in the United States from 1999 to 2001. He joined Vista Land in 2001 as Head of Corporate Planning then became its Chief Financial Officer in 2008. He was elected President and Chief Executive Officer of Vista Land and Lifescapes, Inc. in July 2011 and President of Vistamalls, Inc in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Powersource Phils Development Corp. and the Chairman of Vista Land subsidiaries Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation, Vista Residences, Inc. Mr. Villar also is the majority shareholder of Prime Asset Ventures, Inc.

Jose Rommel C. Orillaza, *Director and Chief Operating Officer.* Mr. Orillaza, graduated from the Adamson University with a degree in Bachelor of Science in Civil Engineering in 1989. From 2004 to 2011, he was the Chief Technical Officer / Division Head of Casa Regalia, Inc. He previously worked as the Chief Technical Officer of Household Development Corp., Operations Head of Communities Philippines Inc., Technical Head of Crown Asia Properties, Inc. and Operations Head of Southwell Waterworks, Inc. Mr. Orillaza is currently the Operations Head of Kratos Res, Inc., and the Operations Head and President of Camotes Island Power Generation Corporation and S.I. P0wer Corporation.

Garth F. Castañeda, *Independent Director.* Atty. Castañeda, graduated from the University of Sto. Tomas with a degree in Bachelor of Science in Accountancy in 2002. He received his Bachelor of Laws from the University of the Philippines in 2006. He is a Certified Public Accountant. In 2014, he worked as a Consultant in the Privatization Management Office in the Department of Finance. He previously worked as an Associate in Puno and Puno Law Offices, an Associate in Sycip Salazar Hernandez Gatmaitan and a Senior Tax Associate in SGV & Co. Atty. Castañeda is currently a Partner in SYMECS Law and acts as counsel for various companies including Metro Pacific Investments Corporation, SN Aboitiz Power Corporation, North Luzon Renewable Energy Corporation, NorthWind Power Development Corporation, Collab Asia Philippines, Inc., among others.

Leonardo Singson, *Independent Director.* Atty. Singson, graduated from the University of the Philippines – Diliman with a degree in Bachelor of Arts in Public Administration in 2002. He received his Bachelor of Laws from the University of the Philippines in 2006. From 2020 to 2021, he worked as Legal Counsel for GNPower Ltd. Co. He was previously a Partner in Villaraza & Angangco Law where he was connected from March 2008 to 2020. Prior to this, he was a Senior Associate in SGV & Co. Atty. Singson is currently Of Counsel for Betita Cabilao Casuela Sarmiento Law

Maria Isabel J. Rodriguez, *Independent Director.* Ms. Rodriguez, graduated from the De La Salle University - Manila with a degree in Bachelor of Science in Accountancy in 2003. She is a Certified Public Accountant. She earned her post graduate certificate in Leadership and Management from the Asian Institute of Management and obtained an Advanced Professional Certificate in Transfer Pricing at the International Bureau of Fiscal Documentation in 2023. She previously worked as the Asia Strategic Business Unit - Tax Director of AES Transpower Pte. Ltd. – ROHQ and as a Tax Director of Sycip Gorres Velayo & Co. Ms. Rodriguez is currently a Credit Committee Member of the CRH USD Finance ZRT., Hong Kong Branch. She is also the current Treasurer of Republic Cement Land & Resources Inc. and a Tax Director at the Republic Cement Services Inc.

Cecille Marie H. Bernardo, *Treasurer, Chief Finance Officer and Chief Risk Officer.* Ms. Bernardo graduated cum laude from University of the Philippines, with a degree in Bachelor of Science in Business Administration and Accountancy in 1991 and ranked Top 6 in the 1991 CPA Board Examination. From January 1992 to November 1996, she worked as an Audit and Business Advisory Executive of Sycip, Gorres, Velayo & Co. (SGV&Co.). She also worked as a Corporate Planning Officer of the MBVillar Group of Companies from November 1996 to February 2002. She received her Master of Applied Finance from the University of Melbourne, Australia, graduating top 10% of her class in 2002. From March 2003 to 2015, she worked as the Commercial Finance Director of The Coca-Cola Corporation / Coca-Cola Far East Limited. In 2016, she was appointed as the President of AllBank (A Thrift Bank, Inc.). From 2019 until February 2024, she served as the President of VFund Management, Inc.

Vincent Kitto N. Jacinto, *Investor Relations Officer.* Mr. Jacinto, graduated from the Ateneo de Manila University with a degree in Bachelor Science in Management in 2002. He obtained his Master of Business Administration degree from Ateneo Graduate School of Business in 2006. He previously worked as a Product Development Officer and Senior Manager of Filinvest Land, Inc. from 2012 to 2015 and a Project Head / Business Development Assistant of Landco Pacific Corporation from 2002 to 2011. Mr. Jacinto is currently the Business Development Head of Prime Asset Ventures, Inc. and Vista Land & Landscapes, Inc.

Karen G. Empaynado, *Corporate Secretary.* Atty. Empaynado, graduated from the University of the Philippines - Diliman with a degree in Bachelor of Science in Business Economics in 2009. She received her Juris Doctor from the Ateneo de Manila Law School in 2016. She previously worked as an Associate for Picazo Buyco Tan Fider and Santos Law and as an Assistant Manager in Legal Corporate Banking Group of BDO Unibank, Inc.

Nielson G. Pangan, *Compliance Officer.* Atty. Niel Pangan, graduated from New Era University with a degree in Bachelor of Science in Business Administration in 2008. He received his Juris Doctor from the University of the Philippines in 2013, ranking 1st, with the highest grade overall in the 2013 Bar Examinations. He obtained his Masters of Law in International Business Law and International Dispute Resolution from Queen Mary University of London. He joined the Migallos and Luna Law Offices in 2013. From 2014 to 2016, he worked as an Associate Solicitor with the Office of the Solicitor General. He also worked as a Senior Legislative Officer for the Office of Senator Angara from 2017 to 2018. In 2019, he joined Tolosa Javier Law as a Senior Associate. Atty. Pangan also served as Senior Legal Counsel in Huawei Technologies Philippines, Inc. and as Regulatory and Legal Counsel of Coins.ph. He currently serves as Deputy General Counsel for Prime Asset Ventures, Inc. and Primewater Infrastructure Corp.

Employees

The Company has no significant employees other than senior management.

Family Relationship

There are no known family relationships between the current members of the Board and key officers.

None of the directors, executive officers or persons nominated to be elected to the Company's Board are related up to the fourth civil degree, either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

As of date of this Annual Report, the Company has no knowledge and/or information that any of the Company's directors, officers or nominees for election as Directors is, presently or during the last five (5) years, involved in any material legal proceeding which will have any material effect on the Company, its operations, reputation, or financial condition.

Item 10. Executive Compensation

The Company's By-Laws provides directors shall not receive any compensation, as such directors, except for reasonable per diem. Any compensation may be granted to Directors by vote of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. In no case shall the total yearly compensation of Directors, as such directors, exceed 10% of the net income before income tax of the Company during the preceding year.

The Company's key officers, namely: Timothy Joseph M. Mendoza, Cecille Marie H. Bernardo, and Karen G. Empaynado, are also serving as officers of PAVI. They do not receive any compensation from the Company. The compensation of these officers is paid by PAVI or the relevant PAVI Group company. There are no executive officers other than the aforementioned individuals.

Independent directors of the Company were entitled to per diem for meetings attended for the year 2024. Details of the compensation for independent directors were as follows:

Independent Directors	2023	2024
Independent Director 1	P137,500	P 137,500
Independent Director 2 and 3	Aggregate of P410,000.00	Aggregate of P322,500.00

There was no other compensation paid to the directors other than as indicated above. The Company does not pay PAVI or the relevant PAVI group any service fees.

Standard Arrangements

There have not been, nor will be, any standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, for the last completed fiscal year and the ensuing year.

Employment Contract between the Company and Senior Management Officers

There are no special employment contracts between the Company and Senior Management.

Outstanding Options

As of 31 December 2024, there are no outstanding warrants or options in connection with the shares of the Company held by any of the directors or executive officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Owners of record of more than five percent (5%) of PREIT's shares of stock as of 31 December 2024 are as follows:

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	PCD Nominee Corp. (Filipino) G/F MSE Bldg. Ayala Ave., Makati City Stockholder	PCD participants acting for themselves or for their customers	Filipino	1,606,774,000	48.86%
Common	S.I. Power Corporation Worldwide Corporate Center, Shaw	S.I. Power Corporation	Filipino	845,589,861	25.71%

	Boulevard, Mandaluyong City Stockholder				
Common	Camotes Island Power Generation Corporation 8F VistaHub Campus Tower 1 Levi B. Mariano Ave. Brgy Ususan, Taguig NCR Stockholder	Camotes Island Power Generation Corporation	Filipino	834,839,132	25.39%

PCD Nominee Corporation (Filipino) (**PCD**) is not related to the Company. Among the PCD participants, HDI Securities, Inc owns 1,440,480,000 shares representing 43.80% of the Company's outstanding capital stock.

Security Ownership of Directors as of 31 December 2024

Title of Class	Name of Beneficial Owner	Shares Owned and Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	Garth F. Castañeda	1(Direct)	0.00%
Common	Timothy Joseph M. Mendoza	1 (Direct)	0.00%
Common	Cynthia J. Javarez	801,001 (Direct & Indirect)	0.02%
Common	Manuel Paolo A. Villar	1 (Direct)	0.00%
Common	Jose Rommel C. Orillaza	1 (Direct)	0.00%
Common	Leonardo A. Singson	1 (Direct)	0.00%
Common	Maria Isabel J. Rodriguez	1 (Direct)	0.00%

Security Ownership of Management as of 31 December 2024

Foreign Ownership

As of 31 December 2024, 1,464,000 common shares, or 0.04% of the Company's outstanding capital stock, are owned by foreigners. The Company's foreign ownership limit is 40%.

Item 12. Certain Relationships and Related Party Transactions

Related Parties	Nature of the Transaction	Value of the Transaction
S.I. P0wer Corporation	Income arising from leased properties	P384,161,695
S.I. P0wer Corporation	Cash advances from parent company for accommodation of certain expenses and working capital requirements	P60,613,265
S.I. P0wer Corporation	Liability arising from lease agreement entered with Parent Company	P381,908
Camotes Island Power Generation Corporation	Income arising from leased properties	P311,447,616
Camotes Island Power Generation Corporation	Cash payment to parent company for accommodation of certain expenses and working capital requirements	P247,849,512
VFund Management, Inc.	Fund management fee	Under the Fund Management Agreement, the Fund Manager will receive an annual fund management fee equivalent to 0.5% of the Company's Rental Income less straight-line adjustments, exclusive of value-added taxes.
VProperty Management, Inc.	Property management fee	Under the Property Management Agreement, the Property Manager will receive an annual management fee equivalent to 1.5% of the Company's Annual Rental Income less straight-line adjustments, exclusive of value-added taxes, provided that the total of such fee and the Fund Management Fee shall not exceed 1.0% of the Net Asset Value of the properties being managed.

PART IV – CORPORATE GOVERNANCE

Item 13. **Corporate Governance**

Compliance

The Board has adopted the Company's Manual on Corporate Governance which institutionalizes the principles of good corporate governance in the entire organization. The Company believes that it is a necessary component of sound strategic business management, hence, efforts are undertaken to create awareness within the organization. The Board of Directors, Management and officers commit themselves to the principles and best practices contained on the Manual on Corporate Governance (the "Manual") and acknowledge that the same shall guide the attainment of the corporate goals.

Green Initiatives and Corporate Social Responsibility

The Company adheres to and intends to implement the Environmental, Social and Corporate Governance ("ESG") policies established by the PAVI Group through its parent company, PAVI. The current ESG policy requires each member of the PAVI Group, including each of the Sponsors and the Company, to undertake initiatives aimed at growing local communities – through education, job creation, as well as stimulus/sustainable environment and livelihood programs.

In the course of its operations, the Company will also implement one or more, or a combination of these various initiatives in furtherance of the PAVI Group's ESG policy.

Deviations from Manual and Sanctions Imposed

There is no material deviation to the provision of the Manual on Corporate Governance in 2024. PREIT has substantially complied, and no sanctions were imposed on any director or officer on account of non-compliance with its Manual on Corporate Governance.

Updates on Corporate Governance

PREIT's Manual of Corporate Governance is compliant with SEC Memorandum Circular No. 19, Series of 2016. The Company will continue to adopt best practices in Corporate Governance as may be prescribed by the Commission.

PART V – EXHIBIT AND SCHEDULES

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

Exhibits (incorporated by reference in this report)

Exhibit "1" : Audited Financial Statements and Schedules

Exhibit "2" : Sustainability Report

Reports on SEC Form 17-C (through official disclosures with the SEC and the PSE)

The Company filed the following reports on SEC Form 17-C during the year ended 31 December 2024.

DATE	REPORTS
January 2, 2024	Three-Year Investment Strategy
February 5, 2024	Declaration of Cash Dividends - 5 February 2024
March 6, 2024	Resignation of Maryknoll B. Zamora and Appointment of Cecille Marie H. Bernardo as Chief Finance Officer, Treasurer, and Chief Risk Officer.
March 7, 2024	List of Principal Officers
March 13, 2024	VFund Management, Inc. 4Q 2023 Quarterly Report
April 14, 2024	Declaration of Cash Dividends - 14 April 2024
May 3, 2024	Calling of the Annual Stockholders' Meeting
May 15, 2024	VFund Management, Inc. 1Q 2024 Quarterly Report
May 27, 2024	Declaration of Cash Dividends - 27 May 2024
June 17, 2024	Results of Annual Stockholders' Meeting dated 17 June 2024
June 17, 2024	Results of Organizational Meeting held on 17 June 2024
August 14, 2024	VFund Management, Inc. 2Q 2024 Quarterly Report
August 29, 2024	Declaration of Cash Dividends - 29 August 2024
October 11, 2024	Resignation of Business Development Head
November 14, 2024	VFund Management, Inc. 3Q 2024 Quarterly Report
November 28, 2024	Declaration of Cash Dividends - 28 November 2024
December 29, 2024	Three-Year Investment Strategy

DISCLOSURES FOR REIT COMPANIES

Pursuant to Section 6.2 of the Amended Listing Rules for REIT

Summary of Real Estate Transaction for the year ended 31 December 2024

On 31 May 2022, the Company and Sponsors executed a deed of assignment whereas the Sponsors cede, assign and transfer to the Company, in a manner absolute and irrevocable, the parcels of land located in Candanay, Siquijor, Lazi, Siquijor, Poro, Cebu and Pilar, Cebu, including the buildings located in the said parcels of land, to the REIT, in consideration for the issuance of REIT's shares. The property-for share swap transaction, forming part of the capital increase of the REIT, was also approved by the SEC on May 31, 2022. The requisite Certificates Authorizing Registration (**CARs**) authorizing the transfer of legal title to the Properties from the Sponsors to the Company were issued on September 2, 2022. The parcels of land include the land owned by the NPC to which the lease right was also assigned to the REIT as approved by the NPC. The lease has an original term of 20 years with a renewal option, subject to mutual agreement of both parties, and an escalation rate of 20% every five years. By virtue of the Property-for-Share Swap, the Sponsors acquired further control of the Company, through an aggregate ownership interest of 100% of the total issued and outstanding capital stock of the Company.

The REIT did not enter into any real estate transactions, such as acquisitions and disposals, during the year ended 31 December 2024.

Summary of Real Estate Assets of the Company as of 31 December 2024

PROPERTIES	APPRAISAL AS OF 31 DECEMBER, 2024	GROSS LEASABLE AREA (GLA)	WALE	LEASED AREA	OCCUPANCY RATE
SIPCOR Properties					
Land – Candanay, Siquijor	P1,154,210,000	9,478 sq.m.	7 years	9,478 sq.m.	100%
Land – Lazi, Siquijor	P1,059,250,000	3,000 sq.m	8 years	3,000 sq.m	100%
Building – Candanay, Siquijor	P107,910,000	353.2 sq.m.	8 years	353.2 sq.m.	100%
Powerplant Assets – Candanay Siquijor	P961,520,000	607 sq.m	8 years	607 sq.m	100%
CAMPCOR Properties					
Land – Poro, Cebu	P1,605,500,000	8,468 sq.m.	9 years	8,468 sq.m.	100%
Land – Pilar, Cebu	P1,712,590,000	7,938.5 sq.m.	9 years	7,938.5 sq.m.	100%
Building – Poro, Cebu	P1,333,600,000	577.3 sq.m.	9 years	577.3 sq.m.	100%
Building – Pilar, Cebu	P941,360,000	244 sq.m	9 years	244 sq.m	100%

SIGNATURES

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

PREMIERE ISLAND POWER REIT CORPORATION
Issuer

Timothy Joseph M. Mendoza
President

Caren Kay Adolfo
Corporate Secretary

15 April 2025
Date

Cecille Marie H. Bernardo
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 3 0 APR 2025, in MAKATI CITY, affiant exhibiting to me his/her valid ID, as follows

Name	Competent Evidence of Identity	Date & Place of Issue
Timothy Joseph M. Mendoza		
Cecille Marie H. Bernardo		
Caren Kay Adolfo		

Doc No. 440
Page No. 89
Book No. 67
Series 2025.

ATTY. MIKHAIL JUDE AMANDO R. FABIO III
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M 326 VALID UNTIL DECEMBER 31, 2025
PTR No. MKT 10471129 / 01-06-25 / MAKATI CITY
IBP No. 501098 01-07-2025 Roll No. 81066
MCLE Compliance No. VIII-0008160 April 14, 2025
VALID UNTIL APRIL 14, 2028

Premiere Island
POWER REIT CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of Premiere Island Power REIT Corporation is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of Premiere Island Power REIT Corporation and are complete and correct in all material respects. Management likewise affirms that:

(a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Bank's books and records in accordance with the requirements of Revenue Regulations No.8-2007 and other relevant issuances;

(c) Premiere Island Power REIT Corporation has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Cynthia L. Javarez
Chairman

Timothy Joseph M. Mendoza AQ
President

Cecille Marie H. Bernardo
Treasurer

Signed this 15th day of April 2025

Premiere Island
POWER REIT CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Premiere Island Power REIT Corporation is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of and for the year ended December 31, 2024, 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 to do so.

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

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

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

Cynthia J. Javarez
Chairman

Timothy Joseph M. Mendoza AQ
President

Cecille Marie H. Bernardo
Treasurer

Signed this 15th day of April 2025

SUBSCRIBED AND SWORN to before me this 30 APR 2025, in ~~Taguig City~~ MAKATI CITY, Metro Manila, affiant exhibiting to me his/her valid ID, as follows

Name	Competent Evidence of Identity	Date & Place of Issue
Cynthia J. Javarez		
Timothy Joseph M. Mendoza		
Cecille Marie H. Bernardo		

Doc No. 443
Page No. 90
Book No. 67
Series 2025

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ATTY. MIKHAIL JUDE AMANDO R. FABIO III
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M-326 VALID UNTIL DECEMBER 31, 2025
PTR No. MKT 10471129 / 01-06-25 / MAKATI CITY
IBP No. 501098 01-07-2025 Roll No. 81066
MCLE Compliance No. VIII-0008160 April 14, 2025
VALID UNTIL APRIL 14, 2028

Exhibit "1"

P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Premiere Island Power REIT Corporation

For the Years Ended December 31, 2024 and 2023 and for the Period March 4, 2022 to December 31, 2022

P&A
Grant Thornton

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

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Premiere Island Power REIT Corporation
(A Subsidiary of S.I. P0wer Corp.)
4th Starmall IT Hub CV Starr Ave.
Philamlife Pamplona Dos Las Piñas
Las Piñas City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Premiere Island Power REIT Corporation (the REIT), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024 and 2023 and for the period March 4, 2022 to December 31, 2022 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the REIT as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023, and for the period March 4, 2022 to December 31, 2022 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 Financial Statements* section of our report. We are independent of the REIT in accordance with the *Code of Ethics for Professional Accountants in the Philippines* (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuation of Investment Properties

Description of the Matter

The REIT's investment properties, which relate to certain parcels of land, buildings and right-of-use asset, is carried in the financial statements at fair value model.

The fair value of investment properties was determined by an independent appraiser using the income approach, which measures the fair value of an asset by calculating the present value of its economic benefits by discounting the expected cash flows at a rate of return that compensates the risks associated with a particular investment. The total fair value of investment properties as of December 31, 2024 is P7.9 billion, representing 81% of the total assets of the REIT. The valuation of investment properties is a key audit matter because of the significance of the amount involved and because the measurement involves the application of significant judgments and estimates.

The significant judgments applied and estimates used in measuring fair value are more fully described in Note 3 to the financial statements, while the methods used are fully described in Note 19 to the financial statements.

How the Matter was Addressed in the Audit

We have evaluated the competence, capabilities and objectivity of the appraiser by obtaining an understanding of their qualifications, experience and track record. We have also involved our internal valuation specialists in evaluating the appropriateness of the valuation models and the reasonableness of key assumptions used, such as the discount rate and growth rate used to estimate projected revenues to be generated, and costs and expenses to be incurred related to operations. We have also tested the completeness and accuracy of key inputs used such as the lease rates and lease terms by agreeing the samples to supporting lease contracts.

Revenue Recognition on Rental of Investment Properties

Description of the matter

In 2024, the REIT recognized revenue from rental of investment properties amounting to P695.6 million. Rental income on long-term leases is recognized on a straight-line basis over the term of the lease.

We identified the revenue recognition from rentals as significant to our audit due to the inherent risk of material misstatement involved and the materiality of the amount of rental revenue and related receivables. An error in the REIT's understanding of the significant terms and conditions of the lease agreements and accounting treatment may result in error in revenue recognition i.e., overstatement or understatement of the reported rental revenues and the related receivables recognized therefrom.

The REIT's disclosures relating to revenues from rentals are disclosed in Notes 7, 10 and 16.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to recognition of revenue from rentals include inspecting the lease agreements entered into with the REIT's lessees, and understanding the significant terms and conditions affecting the recognition of rental income, as disclosed in Note 10 to the financial statements. We determined, based on the significant terms and conditions of the lease agreements, whether the recognition of rental income is in compliance with the revenue recognition and measurement requirements under PFRS 16, *Leases*. We recomputed the amounts of rental income and the related receivables taking into consideration, among others, the lease payments, lease terms, periodic rent escalations, and effect of any lease modifications; and, we have verified whether rental income related to the existing lease agreements have been recognized in the proper accounting period.

Other Information

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the REIT'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 REIT or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the REIT'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 REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the REIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue (BIR) as disclosed in Note 24 to the financial statements is presented for purposes of additional analysis and is not required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Renan A. Piamonte.

PUNONGBAYAN & ARAULLO

By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 15, 2025

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash	4	**P 891,662**	P 51,889,838
Trade receivables	5	**889,500,954**	1,051,325,057
Prepayments and other current assets		**55,012,509**	42,959,052
Total Current Assets		**945,405,125**	1,146,173,947
NON-CURRENT ASSETS			
Property and equipment - net	6	**961,520,000**	934,480,000
Investment properties	7	**7,914,420,000**	7,784,490,000
Total Non-current Assets		**8,875,940,000**	8,718,970,000
TOTAL ASSETS		**P 9,821,345,125**	P 9,865,143,947
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	**P 138,665,894**	P 192,401,958
Due to related parties	13	**322,655,398**	509,891,645
Lease liabilities	9	**408,491**	381,908
Total Current Liabilities		**461,729,783**	702,675,511
NON-CURRENT LIABILITIES			
Lease liabilities	9	**5,411,452**	5,819,943
Deferred tax liabilities - net	12	**112,895,217**	58,705,012
Total Non-current Liabilities		**118,306,669**	64,524,955
Total Liabilities		**580,036,452**	767,200,466
EQUITY			
Capital stock	14	**3,288,669,000**	3,288,669,000
Additional paid-in-capital	14	**5,328,952,851**	5,328,952,851
Revaluation reserves - net	6	**137,936,681**	79,018,554
Retained earnings	14	**485,750,141**	401,303,076
Total Equity		**9,241,308,673**	9,097,943,481
TOTAL LIABILITIES AND EQUITY		**P 9,821,345,125**	P 9,865,143,947

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND
FOR THE PERIOD MARCH 4, 2022 TO DECEMBER 31, 2022
(Amounts in Philippine Pesos)

	Notes	2024 (One Year)	2023 (One Year)	2022 (Ten Months)
RENTAL INCOME	10	**P 695,609,311**	P 643,814,022	P 355,161,394
COSTS OF RENTALS	11	**85,846,407**	70,763,428	40,701,197
GROSS PROFIT		**609,762,904**	573,050,594	314,460,197
OTHER OPERATING EXPENSES	11	**6,949,610**	4,660,730	11,502,749
OPERATING PROFIT		**602,813,294**	568,389,864	302,957,448
OTHER INCOME (CHARGES) - Net				
Fair value gain (loss) on investment properties	7	**86,511,514**	213,520,000	(191,960,000)
Finance cost	9	**(411,551)**	(434,898)	(269,912)
Finance income	4	**4,506**	6,051	1,202
		86,104,469	213,091,153	(192,228,710)
PROFIT BEFORE TAX		**688,917,763**	781,481,017	110,728,738
TAX INCOME (EXPENSE)	12	**(32,905,682)**	(77,471,471)	28,500,338
NET PROFIT		**656,012,081**	704,009,546	139,229,076
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss				
Revaluation increase in property and equipment - net	6	**85,142,383**	89,441,268	16,911,604
Tax expense	12	**(21,285,596)**	(22,360,317)	(4,227,901)
		63,856,787	67,080,951	12,683,703
TOTAL COMPREHENSIVE INCOME		**P 719,868,868**	P 771,090,497	P 151,912,779
BASIC AND DILUTED EARNINGS PER SHARE	15	**P 0.20**	P 0.21	P 0.06

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND
FOR THE PERIOD MARCH 4, 2022 TO DECEMBER 31, 2022
(Amounts in Philippine Pesos)

	Capital Stock (See Note 14)	Additional Paid-in Capital (See Note 14)	Revaluation Reserves (See Note 6)	Retained Earnings (See Note 14)	Total
Balance at January 1, 2024	P 3,288,669,000	P 5,328,952,851	P 79,018,554	P 401,303,076	P 9,097,943,481
Dividends declared	-	-	-	(576,503,676)	(576,503,676)
Transfer depreciation to retained earnings	-	-	(4,938,660)	4,938,660	-
Total comprehensive income for the year	-	-	63,856,787	656,012,081	719,868,868
Balance at December 31, 2024	**P 3,288,669,000**	**P 5,328,952,851**	**P 137,936,681**	**P 485,750,141**	**P 9,241,308,673**
Balance at January 1, 2023	P 3,288,669,000	P 5,328,952,851	P 12,683,703	P 137,229,076	P 8,767,534,630
Dividends declared	-	-	-	(440,681,646)	(440,681,646)
Transfer depreciation to retained earnings	-	-	(746,100)	746,100	-
Total comprehensive income for the year	-	-	67,080,951	704,009,546	771,090,497
Balance at December 31, 2023	P 3,288,669,000	P 5,328,952,851	P 79,018,554	P 401,303,076	P 9,097,943,481
Balance at March 4, 2022	P -	P -	P -	P -	P -
Issuances of shares of stock	3,288,669,000	5,328,952,851	-	-	8,617,621,851
Dividends declared	-	-	-	(2,000,000)	(2,000,000)
Total comprehensive income for the period	-	-	12,683,703	139,229,076	151,912,779
Balance at December 31, 2022	P 3,288,669,000	P 5,328,952,851	P 12,683,703	P 137,229,076	P 8,767,534,630

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND
FOR THE PERIOD MARCH 4, 2022 TO DECEMBER 31, 2022
(Amounts in Philippine Pesos)

	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 688,917,763**	P 781,481,017	P 110,728,738
Adjustments for				
Fair value loss (gain) on investment properties	7	**(86,511,514)**	(213,520,000)	191,960,000
Depreciation	6	**58,102,383**	52,541,268	30,071,604
Finance cost	9	**411,551**	434,898	269,912
Finance income	4	**(4,506)**	(6,051)	(1,201)
Operating profit before working capital changes		**660,915,677**	620,931,132	333,029,053
Decrease (increase) in trade and other receivables		**161,824,103**	(658,938,603)	(392,386,454)
Increase in prepayments and other current assets		**(12,054,315)**	(42,354,099)	(585,977)
Increase in trade and other payables		**6,527,973**	72,427,503	51,556,244
Cash generated from (used in) operations		**817,213,438**	(7,934,067)	(8,387,134)
Interest received	4	**4,506**	6,051	961
Income tax paid		**(214)**	(8,718,662)	(240)
Net Cash From (Used in) Operating Activities		**817,217,730**	(16,646,678)	(8,386,413)
CASH FLOWS FROM AN INVESTING ACTIVITY				
Acquisitions of investment properties	7	**(43,418,486)**	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	14	**(636,767,714)**	(380,417,608)	(2,000,000)
Advances received from (paid to) related parties	13	**(187,236,247)**	445,263,922	15,132,290
Interest paid	9	**(411,551)**	(434,898)	(125,588)
Payment of lease liability	9	**(381,908)**	(500,189)	-
Proceeds from issuance of shares	14	**-**	-	5,000
Net Cash From (Used in) Financing Activities		**(824,797,420)**	63,911,227	13,011,702
NET INCREASE (DECREASE) IN CASH		**(50,998,176)**	47,264,549	4,625,289
CASH AT BEGINNING OF PERIOD		**51,889,838**	4,625,289	-
CASH AT END OF PERIOD		**P 891,662**	P 51,889,838	P 4,625,289

Supplemental Information in Non-cash Investing and Financing Activities is disclosed in Note 23 to the Financial Statements.

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Premiere Island Power REIT Corporation (the REIT) was incorporated under Philippine law on March 4, 2022 under the name of Premiere Island Philippines Holding Corporation (PIPHC). Under its articles on incorporation, PIPHC is authorized to invest in, purchase, or otherwise acquire and own, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real property and personal property of every kind and description. Since its incorporation on March 4, 2022, PIPHC did not have any business operation until the property-for-share swap transaction with Camotes Island Power Generation Corporation and S.I. P0wer Corp. (CAMPCOR and SIPCOR, respectively; the Sponsors, collectively) (see Note 14).

On June 24, 2022, the Board of Directors (BOD) approved certain amendments to the Articles of Incorporation and By-Laws, including: (a) changing the corporate name to Premiere Island Power REIT Corporation; and, (b) changing the REIT's primary purpose to engage in the business of a real estate investment trust as provided under Republic Act (R.A.) No. 9856, The *Real Estate Investment Trust Act of 2009* (the REIT Act), including its implementing rules and regulations, and other applicable laws. The Securities and Exchange Commission (SEC) approved the amendments on November 9, 2022.

The REIT listed its common shares in the Philippine Stock Exchange (PSE) as a power REIT on December 15, 2022 (see Note 14.1).

SIPCOR (the Parent Company) holds 25.71% interest over the REIT while CAMPCOR holds 25.39%. SIPCOR also owns 93.68% of CAMPCOR. Accordingly, SIPCOR effectively holds 49.50% of the REIT's total issued and outstanding capital stock, making SIPCOR as the majority stockholder and the REIT's parent company. SIPCOR and CAMPCOR are both presently engaged in buying, acquiring, leasing, constructing, maintaining, and operating plants, work, systems, poles, poles wire, conduit, ducts and subway for the production, supply, distribution and sale of electricity.

Prime Asset Ventures, Inc. (PAVI or the Ultimate Parent) is the REIT's ultimate parent company. PAVI is presently engaged primarily to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, develop or otherwise, dispose of real and personal property of every kind, and to grant loans and/or assume or undertake or guarantee or secure either on its general credit or on the mortgage, pledge, deed of trust, assignment and/or other security arrangement of any or all of its property, its related parties or any third party, without engaging in the business of a financing company or lending investor.

The registered office address and principal place of business of the REIT, PAVI, SIPCOR and CAMPCOR is located at 4th Starmall IT Hub CV Starr Ave., Philamlife Pamplona Dos Las Piñas, Las Piñas City.

1.2 Approval of the Financial Statements

The financial statements of the REIT as of and for the year ended December 31, 2024 (including the comparative financial statements as of and for the year ended December 31, 2023 and for the period March 4, 2022 to December 31, 2022) were authorized for issue by the REIT's BOD on April 15, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the REIT have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The REIT presents all items of income, expense and other comprehensive income or loss in a single statement of comprehensive income.

The REIT presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the REIT's presentation and functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the REIT are measured using the REIT's functional currency. Functional currency is the currency of the primary economic environment in which the REIT operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the REIT

The REIT adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the REIT's financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the REIT's financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the REIT's financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The REIT has no sale and leaseback transactions.

(b) Effective Subsequent to 2024 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the REIT's financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Financial Instruments

Financial assets and financial liabilities are recognized when the REIT becomes a party to the contractual provisions of the financial instrument.

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the REIT commits to purchase or sell the asset).

Classification and Measurement of Financial Assets

The REIT's financial assets include financial assets at amortized costs such as Cash and Trade Receivables.

Impairment of Financial Assets

The REIT applies a general approach in relation to its trade receivables, which relate to receivables from related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables, the contractual period is the very short period needed to transfer the cash once demanded or when the receivables fall due. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the REIT's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the REIT cannot immediately collect the receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of the receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized which may prove to be negligible.

(b) Financial Liabilities

Financial liabilities includes Trade and Other Payables (except tax-related liabilities), Lease Liabilities and Due to Related Parties.

2.4 Property and Equipment

Property and equipment, are carried at revalued amount which is the fair value at the date of the revaluation, as determined by independent appraiser, less subsequent accumulated depreciation and any accumulated impairment losses.

Revalued amount is the fair market value determined based on appraisal by external professional appraiser once every two years or more frequently if market factors indicate a material change in fair value.

Depreciation of property and equipment (comprising of generation assets) is computed on the straight-line basis over the estimated useful lives of 18 years.

2.5 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of land and buildings are classified as Investment Properties.

Investment properties are accounted for under the fair value model. They are revalued annually and are reported in the statement of financial position at its fair value. Fair value is based on the income approach and is determined annually by an independent appraiser with sufficient experience with respect to both the location and the nature of the investment properties.

2.6 Leases

(a) REIT as Lessee

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The REIT has elected to account for short-term leases and leases of low-value assets using the practical expedients, when applicable. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) REIT as Lessor

The REIT applies judgment in determining whether a lease contract is a finance or operating lease.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the REIT's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgment in Applying Accounting Policies

In the process of applying the REIT'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 financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the REIT pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the REIT is reasonably certain to extend and not to terminate the lease contract. Otherwise, the REIT considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The REIT did not include the renewal period as part of the lease term for the lease due to the provision in its contract that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the REIT becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the REIT.

(b) Distinction Among Investment Properties and Owner-occupied Properties

The REIT determines whether a property should be classified as investment property or owner-occupied property. The REIT applies judgment upon initial recognition of the asset based on intention and also when there is a change in use. In making its judgment, the REIT considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

When a property comprises of a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the REIT's main line of business or for administrative purposes, the REIT accounts for the portions separately if these portions can be sold separately (or leased out separately under finance lease). If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the REIT's main line of business or for administrative purposes.

Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The REIT considers each property separately in making its judgment.

(c) Distinction Between Operating and Finance Leases as Lessor

The REIT has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish the lease agreements as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Management has determined that its current lease agreements as lessor are operating leases.

(d) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Fair Value Measurement of Investment Properties, and Property and Equipment

The REIT's investment properties, composed of right-of-use asset, land and buildings, are measured using the fair value model while the REIT's property and equipment, composed of generation assets, are measured using revaluation model. In determining the fair value of these assets, the REIT engages the services of professional and independent appraisers applying the income approach.

In determining the fair value under the income approach, significant estimates are made such as revenues generated, costs and expenses related to the operations and discount rate.

A significant change in these elements may affect prices and the value of the assets. The details of the fair values of relevant assets are disclosed in Notes 6, 7 and 19.

For investment properties, and property and equipment, with valuation conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

(b) Estimation of Useful Lives of Property and Equipment

The REIT estimates the useful lives of the property and equipment based on the period over which the assets are expected to be available-for-use. The estimated useful lives of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

The carrying amounts of the property and equipment are analyzed in Note 6. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of the property and equipment during those periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) Estimation of Allowance for ECL

The measurement of the allowance for ECL is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers/counterparties defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 17.2(b).

Based on management's assessment, the outstanding balances of receivables as of December 31, 2024 and 2023 are fully collectible (see Note 5).

(d) Impairment of Non-financial Assets

The REIT's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses on the REIT's non-financial assets required to be recognized for the years ended December 31, 2024 and 2023 based on management's assessment.

4. CASH

Cash in banks amounted to P0.9 million and P51.9 million as of December 31, 2024 and 2023, respectively.

Cash in banks generally earn interest based on daily bank deposit rates. Interest income earned from cash in banks amounted to P4,506 in 2024, P6,051 in 2023 and P1,202 in 2022. Interest earned is presented as Finance income under Other Income (Charges) – Net section in the statements of comprehensive income.

5. TRADE RECEIVABLES

This account as of December 31 is composed of the following:

(Amounts in PHP)	Note	**2024**	2023
Trade receivables:			
Billed	13.1	**736,640,406**	943,982,983
Accrued		**152,860,548**	107,342,074
		889,500,954	1,051,325,057

Billed receivables arise from the lease of land, building and generation assets by SIPCOR and CAMPCOR.

Accrued receivables pertain to receivables resulting from the straight-line method of recognizing rental income.

All trade receivables are subject to credit risk exposure. However, there was no impairment losses recognized for the reporting periods presented as management believes that the remaining receivables are fully collectible [see Note 17.2(b)].

6. PROPERTY AND EQUIPMENT

The property and equipment of the REIT pertains to generation assets (see Note 14).

The carrying amount of property and equipment as at December 31, 2024, 2023 and 2022 is as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Cost	**934,480,000**	897,580,000	910,740,000
Depreciation	**(58,102,383)**	(52,541,268)	(30,071,604)
Revaluation	**85,142,383**	89,441,268	16,911,604
	961,520,000	934,480,000	897,580,000

The property and equipment is recognized under the revaluation model. The revaluation surplus, net of applicable deferred income taxes, is presented as part of the Revaluation Reserves account in the equity section of the statements of financial position.

The movements of the revaluation surplus are presented below.

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Cost	**79,018,554**	12,683,703	-
Revaluation	**63,856,787**	67,080,951	12,683,703
Depreciation	**(4,938,660)**	(746,100)	-
	137,936,681	79,018,554	12,683,703

The REIT recognized income arising from the lease of generation assets to SIPCOR amounting to P52.7 million for both 2024 and 2023 and P30.8 million in 2022, and these are presented as part of Rental Income in the statements of comprehensive income (see Note 10). The related outstanding receivable is presented as part of Trade Receivables in the statements of financial position (see Note 5).

The depreciation expense is presented as part of Costs of Rentals in the statements of comprehensive income.

In 2024 and 2023, the REIT transferred to Retained Earnings the depreciation of the revaluation surplus from prior year amounting to P4.9 million and P0.7 million, respectively.

Under the cost model, the carrying value of the property and equipment amounted to P777.6 million and P829.1 million as of December 31, 2024 and 2023, respectively.

The REIT did not have any fully depreciated property and equipment as of December 31, 2024 and 2023. The information on the fair value measurement and disclosures related to the property and equipment are presented in Note 19.3.

7. INVESTMENT PROPERTIES

The REIT's investment properties pertain to parcels of land located in Candanay, Siquijor, Lazi, Siquijor, Poro, Cebu and Pilar, Cebu, including the buildings located in the said parcels of land, (see Note 14), and the right-of-use asset on the lease right from the lease agreement with NPC (see Note 9).

These parcels of land and buildings are recognized in reference to their fair values and the information on the fair value measurement and disclosures are presented in Note 19.3.

A reconciliation of the carrying amounts of investment properties as at December 31, 2024, 2023 and 2022 is shown below.

(Amounts in PHP)	**Land**	**Buildings**	**Right-of-use asset**	**Total**
Balance as of December 31, 2023	4,254,240,000	2,315,860,000	1,214,390,000	7,784,490,000
Additions	25,482,095	17,936,391	-	43,418,486
Fair value gain (loss)	97,617,905	49,073,609	(60,180,000)	86,511,514
Balances as of December 31, 2024	**4,377,340,000**	**2,382,870,000**	**1,154,210,000**	**7,914,420,000**
Balances as of December 31, 2022	4,085,360,000	2,223,800,000	1,261,810,000	7,570,970,000
Fair value gain (loss)	168,880,000	92,060,000	(47,420,000)	213,520,000
Balance as of December 31, 2023	4,254,240,000	2,315,860,000	1,214,390,000	7,784,490,000
Balance as of May 31, 2022	4,166,270,000	2,270,810,000	1,325,850,000	7,762,930,000
Fair value loss	(80,910,000)	(47,010,000)	(64,040,000)	(191,960,000)
Balance as of December 31, 2022	4,085,360,000	2,223,800,000	1,261,810,000	7,570,970,000

The fair values of the investment properties were determined by independent and SEC-accredited property appraisers. The REIT's management engaged with an appraiser and the amounts stated above are the fair values. The fair value gain and loss on investment properties is presented under Other Income (Charges) – Net in the statements of comprehensive income.

The REIT recognized income amounting to P642.9 million, P591.1 million and P324.4 million in 2024, 2023 and 2022, respectively, from the lease of investment properties which is presented as part of Rental Income in the statements of comprehensive income (see Note 10). The related outstanding receivables are presented as part of Trade Receivables in the statements of financial position (see Note 5).

Expenses such as taxes and licenses and property management fees incurred in relation to the rental services are recognized as incurred and are presented as part of Costs of Rentals in the statements of comprehensive income (see Note 11).

The REIT does not have contractual commitments for purchase of investment properties. The operating lease commitments of the REIT as lessor are fully disclosed in Note 16.1.

8. TRADE AND OTHER PAYABLES

This account is composed of the following as of December 31:

(Amounts in PHP)	**2024**	2023
Deferred output VAT	**78,925,758**	97,394,687
Accrued expenses	**51,120,455**	30,608,415
VAT payable	**7,711,583**	3,057,534
Dividends payable	**-**	60,264,038
Others	**908,098**	1,077,284
	138,665,894	192,401,958

Deferred output VAT is recognized by the REIT for uncollected billings for rentals. This will be reclassified to output VAT payable and offset against input VAT, if any, once collected.

Accrued expenses relate to unpaid administrative expenses as at year end.

Others include payables to the government.

9. LEASES

In 2022, SIPCOR assigned the lease of the land situated in Candanay, Siquijor owned by the NPC (Candanay Property) to the REIT. The lease has a term of 20 years with renewal option, subject to mutual agreement of both parties, and an escalation rate of 20% every five years. The assignment was approved by the NPC. The lease is either non-cancellable or may only be cancelled by incurring a substantive termination fee. The lease allows the REIT to sublet the asset to another party, however, did not contain an option to purchase the underlying lease asset at the end of the lease.

On April 11, 2022, the REIT entered into a sublease agreement with SIPCOR for the same Candanay Property for a term of eight years, recognizing the right-of-use asset which is presented as part of Investment Properties in the statements of financial position (see Note 7).

Lease liability is presented in the statements of financial position as follows:

(Amounts in PHP)	**2024**	2023
Current	**408,491**	381,908
Non-current	**5,411,452**	5,819,943
	5,819,943	6,201,851

The movements in the lease liability recognized in the statements of financial position are as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Balance at beginning of period	**6,201,851**	6,702,040	6,557,716
Repayments	**(793,459)**	(935,087)	(125,588)
Interest	**411,551**	434,898	269,912
Balance at end of period	**5,819,943**	6,201,851	6,702,040

Interest expense related to lease liability is reported as Finance cost under Other Income (Charges) – Net in the statements of comprehensive income.

As at December 31, 2024 and 2023, the REIT has no commitments to leases which had not commenced.

The maturity analysis of undiscounted lease liabilities as at December 31 are as follows:

(Amounts in PHP)	**2024**	2023
Within 1 year	**813,600**	813,600
1 to 2 years	**813,600**	813,600
2 to 3 years	**813,600**	813,600
3 to 4 years	**813,600**	813,600
4 to 5 years	**976,320**	813,600
More than 5 years	**3,905,280**	4,881,600
	8,136,000	8,949,600

The cash outflow in respect of the lease for the years ended December 31, 2024 and December 31, 2023 amounted to P0.8 million and P0.9 million, respectively.

10. RENTAL INCOME

The REIT derives its rental income from the lease of its investment properties and property and equipment (see Notes 6 and 7), which commenced in June 2022.

Rentals from these properties are based on agreed guaranteed annual base or the calculated variable rental based on the lessees' revenues, whichever is higher. In 2024 and 2023, the agreed guaranteed annual base is higher than the variable base for all properties, except for the Candanay property and Lazi property (see Note 16).

The table below describes the lease agreements entered into by the REIT and their respective terms.

	Lease Term	Renewable years Upon mutual agreement	Variable rental rates based on lessees' revenues
Candanay property	8 years	10 years	26.59%
Lazi property	9 years	10 years	8.41%
SIPCOR building	9 years	10 years	0.50%
SIPCOR generation assets	9 years	10 years	4.50%
CAMPCOR land	10 years	10 years	15.00%
CAMPCOR building	10 years	10 years	10.00%

The rental income derived from such leases amounted to P695.6 million, P643.8 million and P355.2 million in 2024, 2023 and 2022, respectively. Breakdown of rental income reported in the statements of comprehensive income is shown below.

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Rental income from SIPCOR:			
Right-of-use asset	**247,306,487**	207,956,866	105,400,099
Land	**78,219,163**	65,773,495	33,879,160
Generation assets (presented as property and equipment)	**52,719,971**	52,719,971	30,753,317
Building	**5,916,074**	5,916,074	3,451,042
	384,161,695	332,366,406	173,483,618
Rental income from CAMPCOR:			
Land	**184,766,973**	184,766,973	107,780,736
Building	**126,680,643**	126,680,643	73,897,040
	311,447,616	311,447,616	181,677,776
	695,609,311	643,814,022	355,161,394

The REIT's rental income are generated from the following assets and geographical regions:

(Amounts in PHP)	**Land**	**Buildings**	**Right-of-use asset**	**Generation assets**	**Total**
2024 (One Year):					
Siquijor	78,219,163	5,916,074	247,306,487	52,719,971	384,161,695
Cebu	184,766,973	126,680,643	-	-	311,447,616
	262,986,136	**132,596,717**	**247,306,487**	**52,719,971**	**695,609,311**
2023 (One Year):					
Siquijor	65,773,495	5,916,074	207,956,866	52,719,971	332,366,406
Cebu	184,766,973	126,680,643	-	-	311,447,616
	250,540,468	132,596,717	207,956,866	52,719,971	643,814,022
2022 (Ten Months):					
Siquijor	33,879,160	3,451,042	105,400,099	30,753,317	173,483,618
Cebu	107,780,736	73,897,040	-	-	181,677,776
	141,659,896	77,348,082	105,400,099	30,753,317	355,161,394

As of December 31, 2024 and 2023, the rental receivable amounted to P889.5 million and P1,051.3 million, respectively, which is reported as Trade Receivables in the statements of financial position (see Note 5).

11. COSTS AND OPERATING EXPENSES

The details of this account are shown below.

(Amounts in PHP)	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Depreciation	6	**58,102,383**	52,541,268	30,071,604
Property and fund management fees	7	**20,554,430**	18,222,160	10,629,593
Taxes and licenses	7	**9,620,493**	238,877	4,932,869
Professional fees		**2,190,920**	1,572,897	3,171,103
General and administrative		**841,355**	1,099,680	2,446,711
Miscellaneous		**1,486,436**	1,749,276	952,066
		92,796,017	75,424,158	52,203,946

These expenses are classified in the statements of comprehensive income as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Cost of rentals	**85,846,407**	70,763,428	40,701,197
Operating expenses	**6,949,610**	4,660,730	11,502,749
	92,796,017	75,424,158	52,203,946

12. INCOME TAXES

The components of tax expense (income) as reported in the statements of comprehensive income are as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Reported in profit or loss:			
Current tax expense:			
Final tax at 20%	**1,073**	1,441	240
Regular corporate income tax at 25%	**-**	8,717,221	8,135,437
	1,073	8,718,662	8,135,677
Deferred tax arising from origination of temporary differences	**32,904,609**	68,752,809	(36,636,015)
	32,905,682	77,471,471	(28,500,338)

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Reported in other comprehensive income –			
Deferred tax arising from recognition of revaluation surplus	**21,285,596**	22,360,317	4,227,901

A reconciliation of tax on pretax profit or loss computed at the applicable statutory rates to tax expense or income reported in the statements of comprehensive income for the periods ended December 31, 2024, 2023, and 2022 is as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Tax on pretax profit at 25%	**172,229,441**	195,370,254	27,682,185
Tax effects of:			
Dividends from distributable income	**(125,392,106)**	(117,898,783)	(56,250,000)
Excess of optional standard deduction (OSD) over itemized deduction	**(13,931,653)**	-	-
Non-deductible expenses	**-**	-	67,297
Adjustment for income subjected to lower income tax rate	**-**	-	180
	32,905,682	77,471,471	(28,500,338)

The REIT claimed the dividends as tax deduction in its determination of income tax liability (see Notes 14 and 22). As per Rule 10 of the REIT Act, REITs may deduct against taxable income any dividends distributed as of the end of the taxable year and on or before the last day of the fifth month of the next taxable year.

The details of the net deferred tax liabilities as of December 31 is shown below.

(Amounts in PHP)	**2024**	2023
Revaluation surplus of property and equipment	**47,873,814**	26,588,218
Straight-lining of rental income	**38,215,137**	26,835,519
Fair value gain on investment properties	**27,017,878**	5,390,000
Interest expense on lease liability	**(211,612)**	(108,725)
Balance at end of the period	**112,895,217**	58,705,012

The REIT claimed OSD in computing for its income tax due in 2024 and itemized deductions in 2023 and 2022.

13. RELATED PARTY TRANSACTIONS

The REIT's related parties include the parent company, a related party under common ownership, and key management. A summary of the REIT's transactions and outstanding balances, if any, with its related parties is presented below.

		Amount of Transactions			Outstanding Receivable (Payable)	
(Amounts in PHP)	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)	**2024**	2023
Parent Company:						
Rental income	5, 10, 13.1	**384,161,695**	332,366,406	173,483,618	**573,523,714**	595,220,457
Due to related party	13.2	**60,613,265**	54,977,600	64,086,279	**(179,677,144)**	(119,063,879)
Lease liabilities	9	**381,908**	500,189	6,702,040	**(5,819,943)**	(6,201,851)
Related party under common ownership:						
Rental income	5, 10, 13.1	**311,447,616**	311,447,616	181,677,776	**315,977,240**	456,104,600
Due to related party	13.2	**(247,849,512)**	390,286,322	541,444	**(142,978,254)**	(390,827,766)
Key management personnel –						
Compensation	13.3	**322,500**	547,500	-	**262,200**	547,500

13.1 Lease Agreements

In 2022, the REIT entered into several operating lease agreements with SIPCOR and CAMPCOR (see Note 9).

The rentals earned from the Lease Agreements are presented as Rental Income in the statements of comprehensive income (see Note 10). The unsecured, noninterest-bearing outstanding balances related to such agreements are presented as part of Trade Receivables in the statements of financial position (see Noe 5).

13.2 Due to Related Parties

In the normal course of business, the REIT obtains cash advances from its parent company and a related party under common ownership for accommodation of certain expenses, working capital requirements and other purposes.

The outstanding due to related parties presented in the statements of financial position as at December 31, 2024 and 2023 amounted to P322.7 million and P509.9 million, respectively. Such balance have no fixed repayment terms and are unsecured, noninterest-bearing and generally payable in cash upon demand, or through offsetting arrangements with the related parties.

A reconciliation of the carrying amounts of the Due to Related Parties is shown below.

(Amounts in PHP)	**2024**	2023
Parent Company:		
Balance at beginning of year	**119,063,879**	64,086,279
Advances obtained	**526,584,527**	54,977,600
Repayments	**(465,971,262)**	-
	179,677,144	119,063,879
Related Party under Common Ownership:		
Balance at beginning of year	**390,827,766**	541,444
Advances obtained	**207,843,935**	390,686,322
Repayments	**(455,693,447)**	(400,000)
	142,978,254	390,827,766
Balance at end of year	**322,655,398**	509,891,645

13.3 Key Management Function

Key management personnel compensation amounted to P0.3 million and P0.5 million in 2024 and 2023, respectively. The unpaid balance as of December 31, 2024 and 2023 is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 8).

14. EQUITY

14.1 Capital Stock

Capital stock consists of the following as of December 31, 2024 and 2023:

	Shares	**Amount in PHP**
Common shares		
Authorized	7,500,000,000	7,500,000,000
Issued and outstanding	**3,288,669,000**	**3,288,669,000**

On March 9, 2022, the REIT applied for the increase in authorized capital stock from P5,000 divided into 5,000 common shares with par value of P1.0 per share to P7.5 billion divided into 7,500,000,000 common shares with par value of P1.0 per share. As of December 31, 2024 and 2023, a total number of 3,288,669,000 shares were fully issued and outstanding which amounted to P3.3 billion.

Under the terms of the capital increase, the REIT shall issue a total of 3,288,664,000 common shares to SIPCOR and CAMPCOR in exchange for the transfer, assignment and conveyance by SIPCOR and CAMPCOR of all their rights, title and interests in certain generation assets (see Note 6) and parcels of land and buildings situated thereat (see Note 7).

Pursuant to the capital increase and the property-for-share swap transaction, the REIT issued 1,654,856,000 common shares to SIPCOR and 1,633,808,000 common shares to CAMPCOR. The REIT recognized additional paid-in capital on the excess of the fair value of properties transferred over the par value of shares totalling to P5.3 billion, net of the stock issue costs totalling to P49.5 million, as a result of this transaction.

Under the terms of the property-for-share swap transaction, the REIT, as a lessor and/or sublessor of the properties assigned by SIPCOR and CAMPCOR, executed lease and sublease agreements with each of SIPCOR and CAMPCOR to enable them to use the assigned properties for their continuing power generation operations. The property-for-share swap transaction, forming part of the capital increase of the REIT, was also approved by the SEC on May 31, 2022.

On December 15, 2022, following the initial public offering of the REIT's common shares, the shares of SIPCOR and CAMPCOR were reduced to 845,589,861 (25.71%) and 834,839,132 (25.39%) common shares, respectively. As at December 31, 2022, 1,607,431,000 (48.88%) common shares are owned by the public and the remaining 809,007 (0.02%) common shares are owned by REIT's directors and officers.

As of December 31, 2024 and 2023, there are 3,627 holders and 2,904 holders, respectively, of at least one board lot of the listed shares, which closed at P2.21 per share for 2024 and P1.54 per share for 2023.

14.2 Dividends

During the year, the BOD approved the following dividends declaration from its unrestricted retained earnings payable to stockholders.

Date of Declaration	Payment Date	Cash Dividend per Share	Total *(Amounts in PHP)*
2024			
February 5, 2024	March 12, 2024	0.0388	127,600,357
April 14, 2024	May 13, 2024	0.0388	127,600,357
May 27, 2024	June 28, 2024	0.0326	107,210,609
August 29, 2024	September 27, 2024	0.0326	107,210,609
November 28, 2024	December 27, 2024	0.0325	106,881,744
			576,503,676
2023			
April 28, 2023	May 26, 2023	0.0682	224,287,226
June 22, 2023	July 17, 2023	0.0299	98,331,203
September 8, 2023	September 29, 2023	0.0359	118,063,217
			440,681,646
2022			
July 11, 2022	August 29, 2022	0.01	2,000,000

Unpaid dividends amounting to P60.3 million as of December 31, 2023 is presented as part of Trade and Other Payables in the 2023 statement of financial position. This has been paid in 2024. There were no unpaid dividends as of December 31, 2024 (see Note 8).

14.3 Distributable Income

The computation of the distributable income of the REIT for the periods ended December 31, 2024, 2023, and 2022 is shown below.

(Amounts in PHP)	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Net profit		**656,012,081**	704,009,546	139,229,076
Fair value adjustment of investment property resulting to loss (gain)	7	**(86,511,514)**	(213,520,000)	191,960,000
Effect of straight lining of rental income	10	**(45,518,472)**	(61,926,134)	(45,415,940)
Deferred tax expense (income)	12	**32,904,609**	68,752,809	(36,636,015)
Accretion of interest relating to lease liability	9	**411,551**	434,898	144,324
Distributable income		**557,298,255**	497,751,119	249,281,445

The REIT has adopted a dividend policy in accordance with the provisions of the REIT Act, pursuant to which the REIT's shareholders may be entitled to receive at least 90% of the REIT's annual distributable income. The REIT intends to declare and pay out dividends of at least 90% of distributable income on a quarterly basis each year.

For purposes of tax reporting, the REIT claimed distributable income declared as dividend as deduction against its taxable income as allowed per Rule 10 of the REIT Act (see Note 12).

15. EARNINGS PER SHARE

Basic and diluted earnings per share amounts were computed as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Net profit for the period	**656,012,081**	704,009,546	139,229,076
Divided by weighted number of outstanding common shares	**3,288,669,000**	3,288,669,000	2,302,069,800
Basic and diluted earnings per share	**0.20**	0.21	0.06

The REIT has no potential dilutive common shares as of December 31, 2024 and 2023.

16. COMMITMENTS AND CONTINGENCIES

16.1 Operating Lease Commitments – REIT as a Lessor

The lease agreements of the REIT with SIPCOR and CAMPCOR require monthly rentals equivalent to the higher of a guaranteed base lease or a percentage ranging from 0.50% to 26.90% of the lessee's annual revenue (see Notes 6, 7 and 10). In 2024 and 2023, rentals based on the guaranteed base lease are higher than the rentals calculated based on the variables rates except for the rental income from Candanay Property and Lazi Property (see Note 10). The rental income from such properties is determined based on 26.59% and 8.41% of the revenue derived from the lease, respectively. The amounts recognized as rental income from such properties are shown below.

(Amounts in PHP)	**2024**	2023
Candanay Property	**247,306,487**	207,956,866
Lazi Property	**78,219,163**	65,773,495
	325,525,650	273,730,361

The future minimum lease receivable under the REIT's lease agreements (see Notes 7 and 9) as of December 31, 2024 and 2023 are shown below.

(Amounts in PHP)	**2024**	2023
Within 1 year	**608,848,418**	608,848,418
1 to 2 years	**608,848,418**	608,848,418
2 to 3 years	**608,848,418**	608,848,418
3 to 4 years	**608,848,418**	608,848,418
4 to 5 years	**608,848,418**	608,848,418
More than 5 years	**993,297,303**	1,602,145,715
	4,037,539,393	4,646,387,805

The REIT is subject to risk incidental to the operation of its investment properties and property and equipment, which include, among others, changes in market rental rates and inability to collect rent from tenants due to bankruptcy or insolvency of tenants. All of the REIT's lease agreements are from related parties. If the expected growth does not meet management's expectations, the REIT may not be able to collect rent or collect at profitable rates. Management, however, deemed that the risk of non-collection is insignificant given the REIT and its tenants are related parties under common control and hence can direct payments and collections between these parties (see Note 13).

16.2 Others

There are other commitments and contingent liabilities that may arise in the normal course of the REIT's operations, which are not reflected in the financial statements. As of December 31, 2024 and 2023, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the REIT's financial statements.

17. RISK MANAGEMENT OBJECTIVES AND POLICIES

The REIT is exposed to a variety of financial risks in relation to its financial instruments. The REIT's financial asset and financial liability by category is disclosed in Note 18. The main types of risks are market risk, credit risk and liquidity risk.

The REIT's risk management is coordinated with its parent company, in close coordination with the BOD, and focuses on actively securing the REIT's short to medium-term cash flows by minimizing the exposure to financial risks. The REIT does not engage in trading of financial assets for speculative purposes. The relevant financial risks to which the REIT is exposed are discussed below and in the succeeding page.

17.1 Market Risk

As of December 31, 2024 and 2023, the REIT is exposed to market risk through its cash in bank, which is subject to changes in market interest rates. However, management believes that the related interest rate risk exposure is not significant.

17.2 Credit Risk

The REIT's credit risk is attributable to cash in banks and trade receivables. The REIT maintains defined credit policies and continuously monitors defaults of counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on counterparties are obtained and used. The REIT's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets as at December 31, 2024 and 2023 is the carrying amount of the financial assets as shown in the statements of financial position (or in the detailed analysis provided in the notes to financial statements), as summarized below.

(Amounts in PHP)	Notes	**2024**	2023
Cash	4	**891,662**	51,889,838
Trade receivables	5	**889,500,954**	1,051,325,057
		890,392,616	1,103,214,895

(a) Cash

The maximum credit risk exposure of financial asset is the carrying amount of the financial asset as shown in the statement of financial position which relates to cash in bank. The credit risk for cash in bank is considered negligible since the counterparty is a reputable bank with high quality external credit rating. Cash in bank are insured by the Philippine Deposit Insurance Corporation up to a maximum of P1.0 million for every depositor per banking institution.

(b) Trade Receivables

Management determines possible impairment based on the related parties' ability to repay the receivables upon demand at the reporting date taking into consideration historical defaults of the related parties. Management assessed that the outstanding balances from related parties as of December 31, 2024 and 2023 is recoverable since the related parties have the capacity to pay the balances upon demand and there were no historical defaults. Hence, the losses are deemed negligible.

17.3 Liquidity Risk

As of December 31, 2024 and 2023, the REIT's maximum liquidity risk is the carrying amounts of trade and other payables, due to related parties and lease liabilities (see Note 9).

As of December 31, the REIT's financial liabilities have contractual maturities which are presented below.

		Within 6 months	
(Amounts in PHP)	Notes	**2024**	2023
Trade and other payables	8	**51,820,313**	91,949,737
Due to related parties	13	**322,655,398**	509,891,645
		374,475,711	601,841,382

The contractual maturity reflects the gross cash flows and the carrying value of the liability at the end of the reporting periods.

18. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

18.1 Carrying Amounts and Fair Value by Category

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

		2024		2023	
(Amounts in PHP)	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial assets					
Cash	4	**891,662**	**891,662**	51,889,838	51,889,838
Trade receivables	5	**889,500,954**	**889,500,954**	1,051,325,057	1,051,325,057
		890,392,616	**890,392,616**	1,103,214,895	1,103,214,895
Financial liabilities					
Trade and other payables	8	**51,820,313**	**51,820,313**	91,949,737	91,949,737
Due to related parties	13	**322,655,398**	**322,655,398**	509,891,645	509,891,645
		374,475,711	**374,475,711**	601,841,382	601,841,382

A description of the REIT's risk management objectives and policies for financial instruments is provided in Note 17.

18.2 Offsetting of Financial Assets and Financial Liabilities

The REIT has not set off financial instruments and do not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders.

19. FAIR VALUE MEASUREMENT AND DISCLOSURE

19.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

19.2 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The REIT's financial instruments are measured at amortized cost and hence are included in Level 3, except for cash, which is considered in Level 1.

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instruments where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

19.3 Fair Value Measurement of Non-financial Assets

The REIT's investment properties and property and equipment amounting to P7.9 billion and P1.0 billion as of December 31, 2024, respectively, and P7.8 billion and P0.9 billion as of December 31, 2023, respectively, are classified under Level 3 of the fair value measurements hierarchy.

The fair values of the REIT's investment properties (see Note 7) and property and equipment (see Note 6) are determined on the basis of the appraisals performed by Asian Appraisal Company, Inc., an independent appraiser, with appropriate qualifications and recent experience in the valuation of similar properties.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the REIT's investment properties and property and equipment are their current use. The appraisers used a discount rate of 8.39% in 2024 and 8.42% in 2023, and growth rate of 3.50% in 2024 and 2023 to value the REIT's investment properties.

Fair value as determined by independent appraisers are based on the income approach. Under income approach, the fair value of an asset is measured by calculating the present value of its economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment.

The most common approach in valuing future economic benefits of a projected income stream is the discounted cash flows model. This valuation process of this model consists of the following: (a) estimation of the revenues generated; (b) estimation of the costs expenses related to the operations of the development; (c) estimation of an appropriate discount rate; and (d) discounting process using an appropriate discount rate to arrive at an indicative fair value. There has been no change in the valuation techniques used by the REIT during the period. Also, there were no transfers into or out of Level 3 fair value hierarchy.

20. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The REIT's capital management objectives are to ensure the REIT's ability to continue as a going concern.

The REIT sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The REIT manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The REIT's total liabilities and total equity during the reporting periods are presented in the succeeding page.

(Amounts in PHP)	**2024**	2023
Total liabilities	**580,036,452**	767,200,466
Total equity	**9,241,308,673**	9,097,943,481
Debt-to-equity ratio	**0.06:1.00**	0.08:1.00

The REIT sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The REIT manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Under REIT Act, the REIT is subject to external capital requirement to have a minimum paid-up capital of P300.0 million which was complied with as of the reporting periods presented.

21. SEGMENT REPORTING

The REIT has determined that it operates as one operating segment. The REIT's only income-generating activity is the lease of its land, right-of-use asset, buildings and generation asset which is the measure used by the Chief Operating Decision Maker in allocating resources (see Notes 7 and 10).

The REIT derives its rental income exclusively from SIPCOR and CAMPCOR, related parties under common control during the reporting periods December 31, 2024 and 2023 (see Notes 7, 10 and 13).

The disaggregation of rental income as to lessee and geographical area is also detailed in Note 10.

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

On April 15, 2025, the REIT declared dividends at P0.0548 per share amounting to P180.2 million. This is payable on May 21, 2025.

These dividends are allowed to be claimed as a deduction to net taxable income in accordance with the REIT Act (see Note 12).

23. SUPPLEMENTAL INFORMATION ON NON-CASH FINANCING AND INVESTING ACTIVITIES

Presented below and in the succeeding page are the significant non-cash transactions of the REIT.

- In 2023, dividends amounting to P60.3 million were declared but remained unpaid as of December 31, 2023 and is recorded as part of Trade and Other Payables in the 2023 statement of financial position. This has been paid in 2024.

- In 2022, the REIT entered into a property-for-share swap transaction with SIPCOR and CAMPCOR. Certain parcels of land, buildings and generation assets were recognized by the REIT (see Notes 6 and 7) in exchange for its common shares (see Note 14).

- For the period March 4, 2022 to December 31, 2022, the SEC and BIR registration and filing fees amounting to P16.6 million and DST on issuance of shares amounting to P32.9 million were paid by SIPCOR on behalf of the REIT (see Notes 13 and 14).

- On May 31, 2022, the REIT recognized lease liability amounting to P6.6 million (see Note 9). The related right-of-use asset was also recognized as part of Investment Properties (see Note 7).

- On December 15, 2022, the REIT listed its common shares in the PSE. The proceeds from secondary offering amounting to P2.3 billion, net of P94.7 million initial offering expenses, were received by SIPCOR and CAMPCOR (Sponsors and assigned Disbursing Entities), as indicated in the REIT's Reinvestment Plan.

24. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding page is the supplementary information on taxes, duties and license fees paid during the taxable year which is required by the BIR under Revenue Regulations No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) Output Value-added Tax (VAT)

In 2024, the REIT recognized output VAT amounting to P99,637,050 from gross sales and collected rentals, which was partially applied against unutilized input VAT [see Note 24(b)]. The net output VAT payable as of December 31, 2024 amounting to P7,711,583 is presented as VAT payable under Trade and Other Payables in the 2024 statement of financial position.

The tax base for taxable revenues is based on the REIT's gross sales and collection for the year; hence, such may not be the same as the revenues reported in the 2024 statement of comprehensive income.

The REIT recognized a deferred output VAT amounting to P78,925,758 from uncollected rental billings which formed part of Trade and Other Payables presented in the 2024 statement of financial position.

(b) Input VAT

The REIT did not have any transaction in 2024 which is subject to input VAT.

(c) Taxes on Importation

The REIT did not have any transactions which were subject to custom duties and tariff fees in 2024.

(d) Excise Tax

The REIT did not have any transaction in 2024 which is subject to excise tax.

(e) Documentary Stamp Tax (DST)

The REIT did not have any transaction in 2024 which has been subjected to DST.

(f) Taxes and Licenses

The details of taxes and licenses are broken down below.

(Amounts in PHP)

Real property taxes	7,189,595
Municipal licenses and permits	2,430,898
	9,620,493

The amounts of taxes and licenses are presented as part of Cost of Rentals and Other Operating Expenses in the 2024 statement of comprehensive income.

(g) Withholding Taxes

The REIT paid expanded withholding tax amounting to P91,080 and reported the unpaid portion amounting to P9,560 as of December 31, 2024 as part of Other payables under Trade and Other Payables in the 2024 statement of financial position. No expenses were incurred in 2024 which are subject to final withholding tax and withholding tax on compensation.

(h) Deficiency Tax Assessment and Tax Cases

The REIT did not settle any tax assessments nor does it have any tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable periods.

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

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

T +63 2 8988 2288

The Board of Directors and Stockholders
Premiere Island Power REIT Corporation
(A Subsidiary of S.I. P0wer Corp.)
4th Starmall IT Hub CV Starr Ave.
Philamlife Pamplona Dos Las Piñas
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Premiere Island Power REIT Corporation (the REIT) for the year ended December 31, 2024 and have issued our report thereon dated April 15, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the REIT's management. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Renan A. Piamonte**
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 15, 2025

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
List of Supplementary Information
December 31, 2024

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Schedule B
Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders (Other than Related Parties)
December 31, 2024
(Amounts in Philippine Pesos)

			Deductions		Ending Balance		
Name and designation of debtor	**Balance at Beginning of year**	**Additions**	**Amounts collected**	**Amounts written off**	**Current**	**Not current**	**Balance at end of year**
S.I. P0wer Corporation	P 595,220,457	P 430,261,098	P 451,957,841	P -	P 430,261,098	P -	P 573,523,714
Camotes Island Power Generation Corporation	456,104,600	348,821,330	488,948,690	-	348,821,330	-	315,977,240
	P **1,051,325,057**	P **779,082,428**	P **940,906,531**	P **-**	**P 779,082,428**	P **-**	P **889,500,954**

Note: These are presented as part of receivables account in the statements of financial position.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Schedule E
Indebtedness to Related Parties
December 31, 2024
(Amounts in Philippine Pesos)

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Parent Company –		
S.I. P0wer Corporation	P 119,063,879	P 179,677,144
Related party under common ownership –		
Camotes Island Power Generation Corporation	390,827,766	142,978,254
Total indebtedness to related parties	P **509,891,645**	**P 322,655,398**

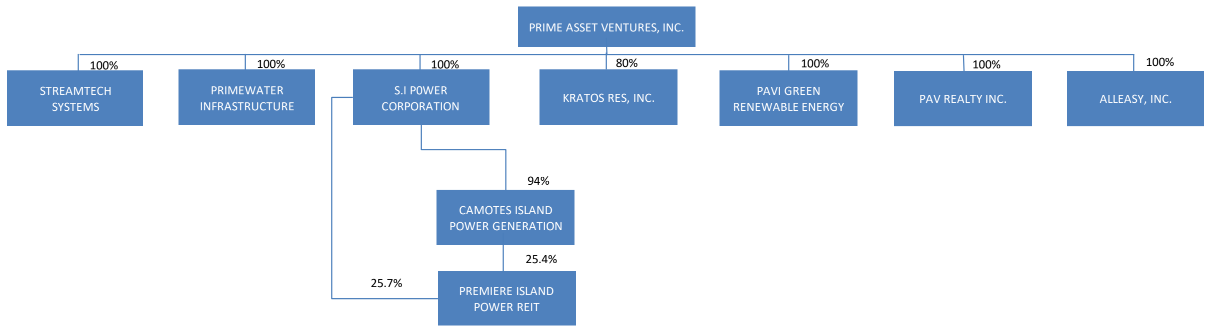
PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Schedule G
Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under the Related Statement of Financial Postion Caption	Number of Shares Reserved for Options, Warrants, Coversion and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Common	7,500,000,000	3,288,669,000	-	1,680,433,993	870,007	1,607,365,000

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
4th Starmall IT Hub CV Starr Ave.
Philamlife Pamplona Dos Las Piñas, Las Piñas City
December 31, 2024
Reconciliation of Retained Earnings Available for Dividend Declaration

Unappropriated Retained Earnings at Beginning of Year		P 256,252,194
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the year	(576,503,676)	
Effect of restatements or prior-period adjustments	-	
Transfer depreciation to retained earnings	(4,938,660)	(581,442,336)
Unappropriated Retained Earnings, as adjusted		(325,190,142)
Add: Net Income for the Current Year		656,012,081
Less: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss	-	
Unrealized fair value gain of investment property	(86,511,514)	
Unrealized income from straight-lining of rentals	(45,518,472)	(132,029,986)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain	-	
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		-
Adjusted Net Income/Loss		198,791,953
Add: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment	4,938,660	
Accretion of interest on lease liability	411,551	
Sub-total		5,350,211
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(102,888)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		(102,888)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 204,039,276**

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Map Showing the Relationship Between the REIT and its Related Entities
December 31, 2024



PREMIERE ISLAND POWER REIT CORPORATION

(A Subsidiary of S.I. P0wer Corp.)

Supplemental Schedule of Financial Soundness Indicators

December 31, 2024

Ratio	Formula			2024			2023
Current ratio	Total Current Assets divided by Total Current Liabilities			**2.05**			1.63
	Total Current Assets	**P**	**945,405,125**		P	1,146,173,947	
	Divide by: Total Current Liabilities		**461,729,783**			702,675,511	
	Current ratio		**2.05**			1.63	
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities			**1.93**			1.57
	Total Current Assets	**P**	**945,405,125**		P	1,146,173,947	
	Less: Other Current Assets		**55,012,509**			42,959,052	
	Quick Assets		**890,392,616**			1,103,214,895	
	Divide by: Total Current Liabilities		**461,729,783**			702,675,511	
	Acid test ratio		**1.93**			1.57	
Solvency ratio	Total Liabilities divided by Total Assets			**0.06**			0.08
	Total Liabilities	**P**	**580,036,452**		P	767,200,466	
	Divide by: Total Assets		**9,821,345,125**			9,865,143,947	
	Solvency ratio		**0.06**			0.08	
Debt-to-equity ratio	Total Liabilities divided by Total Equity			**0.06**			0.08
	Total Liabilities	**P**	**580,036,452**		P	767,200,466	
	Divide by: Total Equity		**9,241,308,673**			9,097,943,481	
	Debt-to-equity ratio		**0.06**			0.08	
Assets-to-equity ratio	Total Assets divided by Total Equity			**1.06**			1.08
	Total Assets	**P**	**9,821,345,125**		P	9,865,143,947	
	Divide by: Total Equity		**9,241,308,673**			9,097,943,481	
	Assets-to-equity ratio		**1.06**			1.08	
Return on equity	Net Profit divided by Total Equity			**0.07**			0.08
	Net Profit	**P**	**656,012,081**		P	704,009,546	
	Divide by: Total Equity		**9,241,308,673**			9,097,943,481	
	Return on equity		**0.07**			0.08	
Return on assets	Net Profit divided by Total Assets			**0.07**			0.07
	Net Profit	**P**	**656,012,081**		P	704,009,546	
	Divide by: Total Assets		**9,821,345,125**			9,865,143,947	
	Return on assets		**0.07**			0.07	
Book value per share	Total Equity divided by Outstanding Shares			**2.81**			2.77
	Total Equity	**P**	**9,241,308,673**		P	9,097,943,481	
	Divide by: Outstanding Shares		**3,288,669,000**			3,288,669,000	
	Book value per share		**2.81**			2.77	
Earnings per share	Net Profit divided by Weighted Average Outstanding Shares			**0.20**			0.21
	Net Profit	**P**	**656,012,081**		P	704,009,546	
	Divide by: Weighted Average Outstanding Shares		**3,288,669,000**			3,288,669,000	
	Earnings per share		**0.20**			0.21	

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023

		2024		2023
Total Audit Fees	**P**	**425,000**	P	400,000
Non-audit service fees:				
Other assurance service		**-**		-
Tax service		**-**		-
All other service		**-**		-
Total Non-Audit Fees		**-**		-
Total Audit and Non-audit Fees	**P**	**425,000**	P	400,000

Sustainability Report

Contextual Information

Company Details	
Name of Organization	PREMIERE ISLAND POWER REIT CORPORATION
Location of Headquarters	4TH STARMALL IT HUB CV STARR AVE PHILAMLIFE PAMPLONA DOS
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	PREIT and its Lessees
Business Model, including Primary Activities, Brands, Products, and Services	Engaged in the long-term investment in income-generating real estate and infrastructure assets, including sustainable power generation facilities, as a real estate investment trust under the provisions of Republic Act No. 9856, otherwise known as "The Real Estate Investment Trust (REIT) Act of 2009" and its Implementing Rules and Regulations.
Reporting Period	January 1, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	Cecile Bernardo Chief Finance Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
Premiere Island Power REIT Corporation (PREIT or the Company) is devoted to transparency, and reporting sustainability in alignment with the Global Reporting Initiative (GRI) standards. PREIT applies the principle of materiality to identify and report topics that hold importance and relevance to the company and its associated stakeholders.

Stakeholders Identification	PREIT's main stakeholders comprise shareholders, investors, customers, employees, local communities, governmental entities, and regulatory agencies. Engaging these stakeholders enables PREIT to acquire insights into the issues that hold the highest significance to them and guides the process of identifying material subjects.
Materiality Assessment:	**Internal Examination:** This involves analyzing our corporate strategy, business model, prevailing policies, and performance metrics. **External Engagement:** This process entails stakeholder engagement, feedback incorporation, and analysis of industry trends and benchmarks. **Materiality Matrix:** We create a matrix to visually represent the relevance of each topic based on its impact and adherence to GRI guidelines.
Identified Material Topics:	The main topics identified include Renewable Energy and Social and Missionary Generation and Infrastructure, Social and Community Impact, Financial Performance, and Dividend Yield.
Reporting and Review	We maintain transparency by reporting material topics in our sustainability reports, and we routinely reevaluate and update our materiality assessment to reflect evolving stakeholder expectations and industry trends.

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,970,458,988	PhP
Direct economic value distributed:		
a. Operating costs	1,042,291,478	PhP
b. Employee wages and benefits	15,457,735	PhP
c. Payments to suppliers, other operating costs	34,639,856	Php
d. Dividends given to stockholders and interest payments to loan providers	471,595,135	PhP
e. Taxes given to government	30,571,633	PhP
f. Investments to community (e.g. donations, CSR)	870,013	PhP

PREIT and its Lessees Strategic Management Approach on Economic Performance

PREIT, a prominent real estate investment trust (REIT) with a focus on power and infrastructure, has exemplified remarkable resilience and expansive operational capabilities, navigating through the tumultuous challenges posed by the pandemic. Despite the adversities, the company has steadfastly safeguarded the interests of its key stakeholders.

One of PREIT's notable achievements has been its ability to deliver consistent financial success, thereby ensuring satisfaction among shareholders and investors. Moreover, the company has demonstrated its commitment to fostering positive relationships with lessees and maintaining superior property conditions. By prioritizing the stability, growth, and fair compensation of its employees, PREIT has further solidified its standing as a responsible corporate entity.

In addition to its internal operations, PREIT has played a pivotal role in bolstering local economies by generating employment opportunities and stimulating economic activity within the communities where its properties are located.

At the heart of PREIT's management philosophy lie three fundamental principles: effective property management, meticulous market analysis, and rigorous financial discipline.

By embracing a holistic and forward-thinking approach to business, PREIT not only ensures its own growth and sustainability but also fosters the economic prosperity of its diverse stakeholders. Through its unwavering commitment to excellence and adaptability, PREIT continues to chart a course of resilience and prosperity in the ever-evolving landscape of retail real estate.

Climate-related risks and opportunities

PREIT has implemented robust risk management protocols, which encompass meticulous assessments of potential risks and the formulation of resilience strategies. These measures are aimed at safeguarding the company's assets and operations against various physical risks, including extreme weather events, rising sea levels, and shifts in precipitation patterns. Moreover, PREIT remains acutely attuned to transition risks associated with the transition to a low-carbon economy, which encompass regulatory changes, technological advancements, and shifts in market dynamics.

To address these challenges, PREIT is committed to adapting its strategies to ensure sustained competitiveness and capitalize on emerging opportunities. The company recognizes that climate change presents both risks and opportunities within the real estate sector. As such, PREIT actively explores energy-efficient initiatives, promotes the adoption of renewable energy sources, and invests in properties that align with its climate-related objectives. By embracing these initiatives, PREIT not only contributes to the transition towards a low-carbon economy but also generates long-term value for its stakeholders.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), PREIT has developed strategies to effectively manage climate impacts, navigate the evolving business landscape, and enhance the company's resilience and sustainability. By adhering to these guidelines, PREIT demonstrates its commitment to addressing climate-related risks and opportunities in a proactive and responsible manner.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers: PREIT LESSEES: Camotes Island Power Generation Corporation (CAMPCOR) S.I. P0wer Corporation (SIPCOR)	 98 96	%

PREIT and its Lessees Strategic Management Approach on Procurement Practices
PREIT, along with its lessees SIPCOR and CAMPCOR, adopts a strategic and conscientious approach to procurement, placing a strong emphasis on ethical practices, sustainability, and compliance. The process begins with thorough due diligence on potential suppliers, evaluating their capabilities and their commitment to upholding social and environmental standards. Priority is given to responsible sourcing practices, with sustainability criteria playing a central role in supplier selection. Recognizing the importance of managing procurement risks, PREIT and its lessees are vigilant in identifying and mitigating potential threats while also recognizing the opportunities that procurement presents. By integrating sustainability considerations into the procurement process, the company not only reduces its environmental footprint but also promotes social responsibility within its supply chain. A noteworthy aspect of PREIT's procurement strategy is its dedication to supporting local suppliers especially for its consumables. A significant portion of the procurement budget is allocated to sourcing from local businesses, thereby contributing to economic growth and community development. This commitment not only strengthens relationships with local stakeholders but also fosters a sense of partnership and shared prosperity. In summary, PREIT and its lessees prioritize ethical, sustainable, and compliant procurement practices, conducting thorough due diligence on suppliers and actively managing procurement risks. By embracing responsible sourcing and supporting local suppliers, the company demonstrates its commitment to sustainability, social responsibility, and community engagement.

Anti-corruption

Training on Anti-corruption Policies and Procedures*

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

**The Company and the Lessees adopt the Anti-Corruption Policies and Procedures of its parent company, Prime Asset Ventures, Inc. (PAVI), as it applies to the entire PAVI group.*

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

PREIT and its Lessees Strategic Management Approach on Anti-Corruption Practices

PREIT and its lessees have embraced a strategic management approach to combat corruption and champion anti-corruption practices. Central to this strategy are values of transparency, integrity, and ethical conduct, which permeate all facets of business operations. At the core of this commitment lies the implementation of a comprehensive Anti-Bribery and Anti-Corruption Policy, which serves as a guiding framework for ethical behavior.

To ensure the effectiveness of their anti-corruption measures, PREIT and its lessees undertake rigorous risk assessments and maintain robust internal controls. Thorough due diligence procedures are conducted to vet potential partners and suppliers, mitigating the risk of engaging with entities involved in corrupt practices.

Recognizing that awareness and education are essential components of any anti-corruption strategy, PREIT and its lessees places a strong emphasis on mentorship, employee training, and awareness programs. Furthermore, stakeholders are encouraged to report suspected acts of corruption through a confidential reporting mechanism, with assurances that whistleblowers will be protected from retaliation.

By promoting anti-corruption efforts, PREIT and its lessees not only uphold their commitment to ethical business practices but also contribute to the development of a resilient and responsible business environment. Through their strategic management approach, they aim to foster a corruption-free business environment that encourages fair competition and sustainable development, ultimately contributing to the greater good of society.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	-	GJ
Energy consumption (gasoline)	-	GJ
Energy consumption (LPG)	-	GJ
Energy consumption (diesel)	2,286,642	Liters
Energy consumption (electricity)	5,660,476	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	-	GJ
Energy reduction (LPG)	-	GJ
Energy reduction (diesel)	On the process of implementing Solar Rooftop for renewable energy.	GJ
Energy reduction (electricity)	On the process of implementing Solar Rooftop for renewable energy.	kWh

PREIT and its Lessees Strategic Management Approach on Energy Consumption

Underlining our steadfast commitment to sustainability, PREIT is actively spearheading initiatives aimed at curbing energy consumption across all aspects of our operations. While our sustainability journey is in its nascent stages, we have already pinpointed energy reduction as a critical priority. Implementing strategic programs, such as setting ambitious energy reduction targets, deploying energy-efficient technologies, conducting routine energy audits, and exploring investments in hybrid renewable energy and social and missionary electrification, underscores our dedication to minimizing our environmental footprint.

This initiative acknowledges the profound impact of energy usage on various stakeholders and the environment, from carbon emissions to resource depletion. Despite the inherent challenges, including escalating energy costs and regulatory hurdles, PREIT perceives this energy management approach as an opportunity to enhance operational efficiency, diminish environmental impact, and demonstrate environmental leadership. In collaboration with our lessees, SIPCOR and CAMPCOR, we are collectively steering towards more sustainable practices.

A significant milestone in our sustainability journey is the implementation of rooftop solar energy systems, which represent a tangible step towards renewable energy adoption and environmental stewardship. The solar installations, owned and operated by SI Power Corporation and Camotes Island Power Generation Corporation in the Philippines, exemplify our unwavering commitment to sustainable development.

SI Power Corporation's Candanay Plant in Candanay Sur, Siquijor Islands, serves as a beacon of sustainability with its rooftop solar setup. With a capacity of 42kWdc / 36kWac and covering an area of 197m2, this installation substantially reduces reliance on non-renewable energy sources and slashes carbon emissions by 33.91 tons, equivalent to the environmental benefits of planting 59 trees.

Similarly, Camotes Island Power Generation Corporation will oversee the operation of two rooftop solar plants on Camotes Island, Cebu. The Pilar Plant, with a 25kWdc / 20kWac system spanning 115m2, mitigates emissions by 18.46 tons (equivalent to planting 32 trees), while the Poro Plant, boasting a capacity of 56kWdc / 50kWac over 262m2, reduces emissions by 43 tons (comparable to planting 75 trees).

These pioneering solar installations signify a paradigm shift towards renewable energy adoption and represent a collective effort to combat climate change and foster sustainable development. By offsetting carbon emissions akin to the ecological benefits of tree planting, these solar installations contribute to a greener, more resilient future. Moreover, their strategic distribution across islands promotes resilience and self-sufficiency within local communities.

The collaborative efforts between PAVI Green Renewable Energy Inc., SI Power Corporation, and Camotes Island Power Generation Corporation underscore our unwavering commitment to sustainability and environmental stewardship. Through the deployment of rooftop solar systems, PREIT is at the forefront of clean energy adoption and natural resource preservation, paving the way for a greener, more sustainable future in the Philippines.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	7,080	Cubic meters
Water consumption	1,800	Cubic meters
Water recycled and reused	90	Cubic meters

PREIT and its Lessees Strategic Management Approach on Water Consumption

PREIT and its lessees have implemented proactive measures to reduce water usage, reflecting our steadfast commitment to minimizing impacts on employees, customers, local communities, and the environment. By establishing water-efficient policies and practices, the company aims to mitigate risks associated with water scarcity while safeguarding its reputation.

Key initiatives include setting ambitious water reduction targets, leveraging advanced technologies to optimize water usage, and advocating for broader water conservation efforts. These strategic measures underscore PREIT's proactive approach to addressing environmental challenges and demonstrate its commitment to responsible corporate citizenship.

In addition to mitigating environmental impact, PREIT recognizes the potential for cost savings and brand enhancement through diligent water stewardship. By embracing sustainable water management practices, the company not only reduces operational expenses but also enhances its reputation as a socially and environmentally responsible organization.

Overall, PREIT's comprehensive approach to water stewardship reflects its commitment to sustainability and responsible business practices. By prioritizing water conservation, the company contributes to the preservation of natural resources while advancing its broader sustainability goals.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization’s primary products and services	0	%

PREIT and its Lessees Strategic Management Approach on Materials Used

The industry faces various risks, including resource scarcity and regulatory compliance, which could significantly affect suppliers and local communities. In response, PREIT prioritizes key opportunities aimed at mitigating these risks, such as sourcing sustainable materials whenever possible, minimizing waste generation, and enhancing operational efficiency. By embracing these initiatives, PREIT endeavors to safeguard the interests of all stakeholders, with a particular emphasis on investors, customers, and local communities.

Central to PREIT's approach to materials management is the pursuit of practical and feasible decisions that align with industry standards, while simultaneously upholding principles of sustainability and efficiency. By integrating these considerations into their operations, PREIT not only reduces risks associated with resource scarcity and regulatory compliance but also enhances its overall resilience and reputation as a responsible corporate entity. This approach underscores PREIT's commitment to balancing economic objectives with environmental and social considerations, thereby contributing to long-term sustainability and stakeholder value.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	ha
IUCN[2] Red List species and national conservation list species with habitats in areas affected by operations	0	

PREIT and its Lessees Strategic Management Approach on Ecosystems and Biodiversity
PREIT and its lessees place a strong emphasis on integrating ecosystems and biodiversity considerations into their operations, recognizing the potential impact of their activities on local habitats and biodiversity. Committed to environmental stewardship, they adhere to industry standards to ensure that their properties do not adversely affect protected areas or habitats of endangered species listed on the IUCN Red List. In addition to complying with regulations, PREIT and its lessees implement proactive measures to safeguard biodiversity, such as a tree replacement strategy during site development to restore and protect natural habitats. These efforts align with recognized environmental practices and demonstrate their commitment to responsible corporate citizenship. Furthermore, by supporting government policies and regulations in the Philippines related to biodiversity conservation, PREIT and its lessees actively contribute to the preservation of ecosystems and biodiversity in the country. Through their collective actions, they strive to minimize their environmental footprint and promote sustainable development, ensuring the well-being of both present and future generations.

[2] International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	None	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	None	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	None	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO_x	108,240	kg
SO_x	61,226	kg
Persistent organic pollutants (POPs)	None	kg
Volatile organic compounds (VOCs)	None	kg
Hazardous air pollutants (HAPs)	None	kg
Particulate matter (PM)	12,475	kg

PREIT and its Lessees Management Approach on Emissions

PREIT and its lessees place a high priority on reducing their environmental impact, particularly concerning air emissions. As operators of power plants, we actively engage in efforts to minimize emissions by embracing cleaner technologies and implementing efficient operational practices. By adhering to industry standards and regulatory requirements in the Philippines, we abide by effective management and control of air pollutants such as sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter.

The commitment to reducing air emissions aligns with broader goals of promoting improved air quality, supporting sustainable energy practices, and safeguarding public health. In the Philippines, conventional power generation is governed by stringent standards set forth by the Department of Environment and Natural Resources (DENR) and the Philippine Clean Air Act, which provide clear guidelines for managing emissions and ensuring environmental protection.

By following industry standards and regulatory requirements, PREIT and its lessees contribute to environmental stewardship while striving to minimize environmental footprint and positively impact local communities. This proactive approach to reducing air emissions reflects our dedication to sustainable business practices and underscores the commitment to protecting the environment and public health in the Philippines.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	1,920	kg
Reusable	1,152	kg
Recyclable	768	kg
Composted	None	kg
Incinerated	None	kg
Residuals/Landfilled	None	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	252,000	kg
Total weight of hazardous waste transported	0	kg

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	24	Cubic meters
Percent of wastewater recycled	5	%

Solid Waste

PREIT and its Lessees Management Approach on Waste Management and Effluents

In the process of power generation, solid and hazardous waste production is an unavoidable consequence. The company implements robust waste management strategies to handle, store, and dispose of such waste responsibly. Our policies focus on minimizing waste production, recycling where possible, and ensuring safe disposal to mitigate environmental risks and protect local biodiversity.

The generation of effluents from our operations is managed under a comprehensive effluent management system. The approach is designed to treat and dispose of effluents responsibly, adhering to environmental standards and regulations. By implementing strategies such as wastewater treatment and monitoring discharge quality, we aim to protect water bodies from pollution and maintain the health of aquatic ecosystems. This commitment also plays a vital role in our broader goal of supporting sustainable development.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

PREIT and its lessees have diligently acquired all requisite approvals and permits from pertinent government agencies and regulatory bodies, essential for the seamless execution of the organization's operations. These authorizations were obtained promptly and remain in active status. Each operational plant under PREIT's jurisdiction operates in strict compliance with environmental regulations, with a designated Pollution Control Officer (PCO) overseeing processes and addressing any environmental concerns that may arise. This steadfast commitment ensures that we uphold our dedication to environmental stewardship, in alignment with our overarching goal of promoting clean, renewable, and sustainable energy practices.

SOCIAL

Employee Management (as it applies to PREIT and its Lessees)

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[3]	17	
a. Number of female employees	5	#
b. Number of male employees	12	#
Attrition rate[4]	29%	rate
Ratio of lowest paid employee against minimum wage	N/A	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves	Y	0	0
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y	0	0
Further education support	N		
Company stock options	N		
Telecommuting	N		
Flexible-working Hours	Y	100%	100%
(Others)			

PREIT and its lessees hold its workforce in high regard and are committed to providing fair compensation and benefits in strict accordance with labor laws in the Philippines. We take pride in offering comprehensive and rewarding employee benefits tailored to enhance the well-being and satisfaction of our team members. Our commitment to supporting the holistic needs of our

[3] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[4] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

employees is reflected in a range of initiatives, from robust health insurance packages to ample opportunities for professional development.

In addition to these essential benefits, we offer unique perks designed to foster a supportive and inclusive work environment. Flexible scheduling options, wellness programs, and generous vacation allowances are just a few examples of the ways in which we prioritize the overall wellness and work-life balance of our employees.

While we recognize the value of in-person collaboration and team synergy, we understand that full remote work may not currently align with our operational structure. Nevertheless, our unwavering commitment to providing exceptional benefits underscores our dedication to cultivating a thriving workforce that is empowered to succeed and grow within our organization.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	193	
a. Female employees	81	hours
b. Male employees	112	hours
Average training hours provided to employees		
a. Female employees	7.36	hours/employee
b. Male employees	11.2	hours/employee

PREIT and its lessees have made a concerted effort to prioritize the inclusion and development of female workers within the workplace. An encouraging trend has been observed, with a notable increase in the training hours of female workers compared to the previous year. However, it's important to note that this emphasis on female development does not exclude male workers from participating in learning programs. Targeted learning sessions have been extended to male employees as well, ensuring an inclusive approach to employee development.

Overall, this year's data reflects a significant increase in the average number of learning hours per employee, demonstrating our unwavering commitment to the continuous development of our workforce. Our dedication to delivering relevant and meaningful learning sessions underscores our commitment to fostering a culture of growth and opportunity within our organization, benefiting all employees, regardless of gender.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	29	%
% of male workers in the workforce	71	%
Number of employees from indigenous communities and/or vulnerable sector*	1	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

PREIT and its Lessees, fairness in manpower diversity and employee benefits is not just a commitment but a cornerstone of our culture. We believe that diversity in our workforce enriches our perspectives and strengthens our capabilities. From gender and ethnicity to background and abilities, we foster an inclusive environment where everyone's unique contributions are valued and celebrated.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	155,280	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	#

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	

Child labor	N	
Human Rights	N	

We strictly adhere to the regulations outlined by the Department of Labor Employment’s (DOLE), ensuring a safe, secure, and equitable work environment. Respect for human rights forms the basis of our operations, with every employee treated fairly, irrespective of their contractual terms.

Supply Chain Management

Please see attached policy: Attached Annex A.

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Section V, SUBSECTION B
Forced labor	Y	Section VI. ACCREDITATION CANCELATION OR REVOCATION in accordance with Republic Act No. 9208 or the Anti-Trafficking in Persons Act of 2003
Child labor	Y	Section VI. ACCREDITATION CANCELATION OR REVOCATION in accordance with Republic Act No. 9231 or the Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act and Republic Act No. 7610 or the Special Protection of Children Against Abuse, Exploitation and Discrimination Act
Human rights	Y	Section VI. ACCREDITATION CANCELATION OR REVOCATION in accordance with Republic Act No. 9851 or the Philippine Act on Crimes Against International Humanitarian Law, Genocide, and Other Crimes Against Humanity
Bribery and corruption	Y	Section VI. ACCREDITATION CANCELATION OR REVOCATION in accordance with Republic Act No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees

PREIT and its Lessees place a strong emphasis on robust supply chain management practices to uphold operational continuity and mitigate risks effectively. Central to our approach is the promotion of transparency, fair labor practices, and environmental sustainability throughout the supply chain. We achieve this by adhering to ethical procurement practices and maintaining a diversified supplier base. Regular assessments and active engagement with suppliers drive continuous improvement and ensure compliance with our standards.

In terms of supplier accreditation, PREIT has implemented a comprehensive policy that encompasses various sustainability aspects. These include environmental performance, social responsibility, and adherence to ethical standards. By integrating these criteria into our accreditation process, we aim to guarantee that our supply chain operates in alignment with industry best practices and ethical principles. This commitment underscores our dedication to fostering a responsible and sustainable business ecosystem.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
N/A	N/A	N/A	N/A	N/A	N/A

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

PREIT and its Lessees actively prioritize building strong relationships with local communities and driving environmental and social endeavors through our Corporate Social Responsibility (CSR) initiatives.

Some notable programs conducted for the year include tree planting activities in collaboration with the LGU, the Philippine Coast Guards, and Municipal DENR; and participating in the Philippine Red Cross training on Occupational First Aid and Basic Life Support Training. An opportunity to educate our young minds from the Maria Integrated School and Tambisan National High School in Siquijor was also organized. To support local employment, we welcomed new hires to add to our pool of talented individuals. We also took part in various community initiatives like town fiestas and celebrations through donations to show our support for local traditions (Please refer to Annex B for CSR photos).

We ensured continuous funding to host communities of the one centavo per kilowatt-hour (P0.01/kWh) share in the electricity produced by the power plants in operation. This is in accordance with the Department of Energy's (DOE) Energy Regulations No. 1-94 (ER 1-94). The host beneficiaries can invest in projects that empower individuals and support inclusive growth. These initiatives include electrification projects, development and livelihood programs, as well as environmental sustainability efforts like reforestation and watershed management.

PREIT and its Lessees are committed to the betterment of communities in driving community development and nurturing camaraderie between generation companies and host communities. Through our CSR initiatives, we aim to create opportunities for economic empowerment, environmental preservation, and improved well-being. By leveraging these resources and fostering partnerships, we work towards sustainable progress and prosperity in the communities we serve.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

At PREIT, our customer management approach revolves around prioritizing health, safety, and customer satisfaction above all else. We maintain a steadfast commitment to adhering to regulations and industry standards, ensuring that our customers experience a high standard of well-being and welfare whenever they engage with us.

In addition to prioritizing physical well-being, we place a strong emphasis on safeguarding our customers' privacy and data security. We are dedicated to implementing and upholding robust data security measures to protect our customers' sensitive information. Our policies and procedures are designed to align with both local and international privacy laws, thereby fostering trust and ensuring confidentiality in all our interactions with customers. By prioritizing health, safety, and data security, we aim to provide our customers with a seamless and secure experience that exceeds their expectations.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Real Estate	**SDG 6: Clean Water and Sanitation** PREIT supports clean water preservation by reducing pollution from fossil fuels through its commitment to renewable energy and social and missionary electrification. **SDG 9: Industry, Innovation and Infrastructure** PREIT fosters industry innovation and resilient infrastructure development through its long-term investments in the renewable energy and social and missionary electrification sector. **SDG 11: Sustainable Cities and Communities** PREIT's commitment to renewable energy and social and missionary electrification contributes to creating sustainable cities,	As they incorporate established management policies and systems aimed at addressing potential issues, these initiatives are not anticipated to result in adverse consequences.	Risk-management programs are supervised and executed to efficiently identify, address, and mitigate risks.

	improving air quality, and reducing environmental impact.		

PREIT and its lessees are wholeheartedly committed to aligning their operations with the United Nations Sustainable Development Goals (SDGs), recognizing the crucial role of sustainability in driving both financial growth and environmental and social responsibility. As a reputable Real Estate Investment Trust (REIT) with a focus on power and infrastructure, PREIT is dedicated to setting the standard for sustainable practices within the industry.

Central to PREIT's sustainability efforts is the proactive implementation of environmentally-responsible business practices aimed at minimizing resource consumption, reducing emissions, and preserving ecological integrity. By embracing sustainable practices, PREIT not only mitigates its environmental footprint but also sets a positive example for its peers and stakeholders.

In addition to environmental stewardship, PREIT prioritizes inclusive growth and community support, acknowledging its social obligations. Through initiatives that promote local economic development, support community well-being, and prioritize stakeholder engagement, PREIT seeks to create lasting positive impacts that extend beyond financial returns.

By integrating sustainability into its core operations and embracing its role as a responsible corporate citizen, PREIT exemplifies its commitment to driving meaningful change and contributing to a more sustainable future for all.

Annex "A"

CONTRACTOR/VENDOR'S ACCREDITATION POLICY

COVERAGE:

I. Introduction
II. Accreditation Process
III. Documentary Requirements
IV. Accreditation Committee
V. Review and Evaluation Process
VI. Accreditation, Cancellation or Revocation

I. Introduction

The purpose of this Accreditation is to ensure that the evaluation is fair and unbiased. Only those accredited contractors who complied with the accreditation process outlined herein are allowed to join in the project bidding. Nevertheless, being accredited does not automatically mean a Contractor will be awarded a contract for the project. The contractors shall still go through a competitive bidding process. This is applicable to all new and existing contractors.

II. Accreditation Process

1. Procurement in-charge shall send the PDF copy of the Accreditation Form via email to all potential contractors.

2. The potential contractors shall submit the duly accomplished application forms, together with the required documents to Procurement in-charge *(*Note: See *Section III. Documentary Requirements* for the list of requirements)

3. The accomplished application form, together with the required documents, shall be forwarded to the Accreditation Committee (See *Section IV. Accreditation Committee*)

4. The Accreditation Commitee will review the application for accreditation and supporting documents for the contractor's technical, financial capability as well as the authenticity of the supporting documents.

5. The Procurement in-charge shall prepare the Accreditation Certificate to be signed by the Contract Management Head and Business Unit Head.

6. The decision on the accreditation application will be communicated by the Procurement Team to the accredited contractor/s.

7. Accredited contractors shall be invited to participate in the in the Company's bidding process.

8. The list of qualified contractors will be used by the Accreditation Committee for the Review and Evaluation Process (See *Section V).*

III. Documentary Requirements

A. <u>For Local Vendors/ Contractors:</u>

1. Letter of Intent addressed to Procurement
2. Company Profile
3. SEC Certificate of Incorporation and Articles of Incorporation / DTI Certificate of Registration
4. Audited Financial Statements from the last two (2) years
5. Income Tax Return for the last two (2) years
6. Mayor's Permit
7. BIR Certificate of Registration
8. Organizational Chart
9. Office / Warehouse / Factory Location Map
10. Proof of SSS quarterly remittance for the last quarter
11. List of Equipment and Manpower
12. Secretary's Certificate (if corporation) / Special Power of Authority (if sole proprietor) for the authorized signatories, together with their valid ID

<u>**Additional Requirements for Procurements of Goods:*</u>

1. Product brochures/catalogue
2. Product samples
3. Certificate of exclusivity (if applicable)

<u>**Additional Requirements for Contractors*</u>

1. PCAB License
2. Resume of Key Personnel to be assigned to the project
3. Pictures of projects (completed & ongoing)
4. Environment, health, and safety requirements certificates

B. <u>For Foreign Vendors:</u>

1. Letter of Intent addressed to Procurement
2. Company Profile
3. Certificate of Incorporation/equivalent
4. Audited Financial Statements for the last two (2) years
5. Business Permit
6. Organizational Chart
7. Headquarters and/or warehouse location map
8. Product brochure/catalogue/datasheets
9. List of customers/clients in the Philippines

IV. THE ACCREDITATION COMMITTEE

A. Functions

The Accreditation Committee shall verify, evaluate, review, and analyze the capability of Contractors based on technical, financial, reputation, performane, and commercial capabilities.

The Accreditation Committee is committed to fielding reputable contractors, and encourages its prospective contractors to achieve accredited status.

B. Members

The members of the Accreditation Committee shall be the following:

a) Accounting Head/Chief Accountant
b) Procurement Head
c) Proponent/End User's Representative

V. REVIEW AND EVALUATION PROCESS

1. Compliance with Documentary Requirements

The Accreditation Committee shall determine whether the contractor complies with the documents in *Section III.* Only contractors with complete documents shall be considered for evaluation and comparison.

2. Review of Documents and Evaluation of Contractor's Capacity

The Accreditation Committee shall review and evaluate the following:

a) Authenticity of documents;
b) Financial capability;
c) Technical capability;
d) Performance based on previous completed and on-going projects

- Authenticity of documents
- Financial capability
- Technical capability
- Performance based on previous completed and ongoing projects (this will include getting feedback from previous / existing clients)
- Track record in complying with relevant environmental laws and/or issuances of the Department of Environment and Natural Resources, Local Government Unit, etc. (The Accreditation Committee may require the applicant to submit additional documents for this purpose.)

3. Categorization

The Accreditation Committee shall categorize the applicant based on the following qualifications:

a) Owner Supplied Materials ("OSM")
b) Contract Amount – maximum contract amount to be awarded
c) Work specialty/expertise - for multi-specialty contractors
d) Volume of projects – number of projects that can be awarded
e) Internal contractor ratings – PCAB reference

4. Updating of Information and Submission of Additional Documents

In case any information provided changes or is modified after accreditation, the Contractor must update such information and submit corresponding documents to update the information.

5. Accreditation

Contractor's Accreditation is valid for 12 months only subject to renewal upon submission of updated documents. Likewise, the results of the Performance Evaluation for previous contracts form as basis of the renewal of accreditation.

VI. CANCELLATION OR REVOCATION OF ACCREDITATION

A contractor's accreditation may be cancelled or revoked on the basis of the following grounds:

a) The Company finds that the contractor and/or his duly authorized representative has falsified documents in support of the application for accreditation;

b) The contractor has filed for bankruptcy or dissolution;

c) The contractor or any of its responsible officers is found guilty by the proper courts for violating Section 11(c) of *Republic Act No. 6713,* otherwise known as the *"Code of Conduct and Ethical Standards for Public Officials and Employees"*;

d) The contractor or any of its responsible officers is found guilty by the proper courts for violating *Republic Act No. 9208,* otherwise known as the "*Anti-Trafficking in Persons Act of 2023"* and *Republic Act No. 7610,* otherwise known as the "*Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act",* as amended by *Republic Act No. 9231,* and *Republic Act No. 9851,* otherwise known as the *"Philippine Act on Crimes Against International Humanitarian Law, Genocide, and Other Crimes Against Humanity";*

e) The Company has reasonable belief that the contractor or any of its responsible officers is undertaking fraudulent activities; and

f) The commission by the contractor or any of its responsible officers of any act which casts doubt on its/their eligibility to undertake the project, should the same be awarded to them.

Annex "B"

CSR PHOTOS

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF EDUCATION
REGION VII CENTRAL VISAYAS
SCHOOLS DIVISION OF SIQUIJOR
MARIA INTEGRATED SCHOOL

CERTIFICATE OF APPRECIATION

is presented to

SIPCOR-Candanay, Siquijor

For your generous hospitality and support in allowing Maria Integrated School to conduct an educational tour at your facility in Candanay, Siquijor on October 4, 2024. It was informative and engaging, providing valuable insights into the power generation process and the importance of sustainable energy practices.

Given this 4th day of October 2024 at SIPCOR-Candanay, Siquijor, Siquijor

ALDRIN D. MAGSALAY
SCHOOL PRINCIPAL I

Republic of the Philippines
Department of Education
Region VII, Central Visayas
Division of Siquijor
TAMBISAN NATIONAL HIGH SCHOOL
Tambisan, San Juan, Siquijor

Certificate of Recognition

is hereby awarded to

SIQUIJOR ISLAND POWER CORPORATION

In grateful recognition of their valuable contribution of sharing their expertise as
RESOURCE AGENCY/ ESTABLISHMENT
during the Educational Trip for Grade 12-Electrical Installation and Maintenance (EIM) students held at Siquijor Island Power Corporation (SIPCOR), Candanay, Siquijor, Siquijor on November 6, 2024.

Given this 6th day of November, 2024 at SIPCOR, Candanay, Siquijor, Siquijor Philippines.

LUZ T. OMOC-OC
Principal I

PHILIPPINE RED CROSS

PHILIPPINE RED CROSS – SIQUIJOR CHAPTER
Mailing Address: Caridad St., Poblacion, Siquijor, Siquijor
Telephone No.: (035) 480 - 9822
Email Address: siquijor.admin@redcross.org.ph
Website: www.redcross.org.ph

JANUARY 19, 2024

CERTIFICATION

This is to certify that **S I POWER CORPORATION, Candanay Sur, Siquijor, Siquijor** underwent the Philippine Red Cross' **OCCUPATIONAL FIRST AID AND BASIC LIFE SUPPORT – CARDIOPULMONARY RESUSCITATION TRAINING** on January 18 - 19, 2024. Upon which the passer of the evaluating examinations conducted on January 18 - 19, 2024 and certified by Philippine Red Cross to practice the above mentioned course are the following:

1. Paul Christian G. Bondoc	4. Jackielyn A. Patun-og
2. Fitzgerald P. Cajes	5. Boots B. Pedrano
3. Donna Grace M. Pabinguit	6. Wybert A. Wee

The training was conducted under the supervision of Ms. Maricon Celeste V. Balongag, RN.

This certification is being issued for whatever legal purpose it may serve and shall be valid up to **January 19, 2026** only.

ROWENA E. MAPUTI, RMT
Chapter Administrator
PRC - Siquijor Chapter