C O V E R S H E E T

SEC Registration Number

1 3 4 8 0 0

C O M P A N Y N A M E

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

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

4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@joh.ph	**(02) 8-373-3038**	**0966-854-4344**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
29	**Month of June**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ortrud T. Yao	**ortrud_ting@joh.ph**	**(02) 8-373-3038**	**0966-854-4344**

CONTACT PERSON'S ADDRESS

4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City

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

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

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 OF THE PHILIPPINES

1. For the calendar year ended **December 31, 2023**

2. SEC Identification Number **134800** 3. BIR Tax Identification No. **000-590-608-000**

4. Exact name of issuer as specified in its charter **JOLLIVILLE HOLDINGS CORPORATION**

5. **PHILIPPINES** 6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

7. **4/F 20 Lansbergh Place**
170 Tomas Morato Ave., corner Scout Castor St.
Quezon City **1103**
Address of principal office Postal Code

8. **(632) 8373-3038**
Issuer's telephone number, including area code

9. Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱1 par value	**281,500,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.

Yes [**X**] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
PHILIPPINE STOCK EXCHANGE **COMMON STOCK**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**X**] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [**X**]

13. Aggregate market value of the voting stock held by non-affiliates is: ₱863,658,943 as of December 31, 2023 and ₱530,147,789 as of March 21, 2024.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

Originally incorporated as a realty company in September 1986 by the Ting family, the Company underwent a transformation to that of a holding company on April 15, 1999 after securing Securities and Exchange Commission (SEC) approval for the change in its primary purpose. Subsequently, on May 4, 1999, the SEC approved the increase in capitalization of Jolliville Holdings Corporation ("JOH" or "the Company"). The authorized capital stock of the Company was increased from 30,000 shares with a par value of 100 per share to 1 billion shares with a new par value of 1 per share. To date, 281.5 million common shares are issued and fully paid.

As of December 31, 2023, the Company holds interests in the following subsidiaries:

Name of Subsidiary/Affiliate	Percentage of Ownership
Jolliville Group Management, Inc.	100%
Ormina Realty & Development Corp.	100%
Servwell BPO International Inc.	100%
Jollideal Marketing Corporation	100%
Ormin Holdings Corporation	100%
Melan Properties Corp.	100%
NGTO Resources Corp.	100%
OTY Development Corp.	100%
KGT Ventures, Inc.	100%
Ibayo Island Resort Corp.	100%
Philippine Hydro Electric Ventures Inc.	100%
Ormin Power, Inc.	59.95%
2Big Philippines Inc.	88.50%
Calapan Waterworks Corporation	99.75%
Nation Water Corporation	74.88%
Greater Rosario Water Inc.	99.75%
Tubig Bohol Corporation	49.87%

Set out below is a brief description of each subsidiary/affiliate.

Jolliville Group Management Inc. ("JGMI") was incorporated on March 9, 1994 and at present, has an authorized capital stock of ₱10 million divided into 100,000 common shares, with a par value of ₱100 per share. To date,100,000 common shares of JGMI are issued and fully paid.

Ormina Realty & Development Corp. ("ORDC") was incorporated on April 22, 1997 with an authorized capital stock of ₱200 million divided into 200 million common shares, with a par value of ₱1 per share. To date, 118,587,073 common shares of the corporation are subscribed and paid with additional paid-in capital of ₱63,272,184.

Servwell BPO International Inc. ("Servwell" or "SBII") was incorporated on May 19, 2009 as a wholly-owned subsidiary of JOH primarily to design, implement, and operate certain business processes; to assist companies in running their accounting units; to provide receivables and payables processing, billings and collections, treasury, escrow and other related services; to provide provident fund accounting; and to provide human-resource related processes. It has an authorized capital stock of ₱5 million divided into 5 million common shares with a par value of ₱1 per share. To date, all SBI shares have been fully subscribed and paid with additional paid-in capital of ₱1,105,488.

Jollideal Marketing Corporation ("JMC") was incorporated on April 10, 1999 with an authorized capital stock of ₱2 million divided into 20,000 common shares, with a par value of ₱100 per share. To date, 14,000 common shares are issued and fully paid.

Ormin Holdings Corporation ("OHC") was incorporated on March 1, 1994 with an initial authorized capital stock of ₱50 million divided into 500,000 common shares, with a par value of ₱100 per share.

On December 9, 2019, the BOD of OHC approved to declare a cash dividend out of the dividends received from its subsidiaries namely, KGT Ventures Inc., Melan Properties Corporation, NGTO Resources Corporation, and OTY Development Corporation, amounting to Two Hundred Twelve Million Pesos (₱212,000,000).

At the special meeting of the BOD and of the Stockholders of OHC held on June 9, 2021 and July 20, 2021, respectively, the majority of the BOD and by the vote of at least two-thirds of the outstanding capital stock approved the following: reduction of the par value of its common share from ₱100.00 per share to ₱1.00 per share; the Company shall have perpetual corporate existence; the authorized capital stock shall be ₱80 million divided into 80,000,000 common shares, with a par value of ₱1.00 per share and that 19,237,563 shares are to be subscribed by JOH with subscription price of ₱10.00 per share and has been fully paid via conversion of dividends payable recorded per books.

On September 20, 2022, OHC's application for the above amendments is approved by the SEC. As of reporting date, 55,400,563 common shares are subscribed and paid with additional paid-in capital of ₱173,138,067.

The Company, through OHC, indirectly owns the following corporations: (a) Melan Properties Corp.; (b) NGTO Resources Corp.; (c) OTY Development Corp; (d) KGT Ventures Inc.; and (e) Ibayo Island Resort Corp.

Melan Properties Corp. ("MPC") was incorporated on March 3, 2008 with an initial authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

NGTO Resources Corp. ("NRC") was incorporated on March 5, 2008 with an initial authorized capital stock of 5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

On June 9, 2021 and July 20, 2021, at the special meeting of the BOD and of the stockholders of NRC, respectively, unanimously approved the reduction of the par value of its stocks from ₱100.00 per share to ₱1.00 per share, change the term of existence of the corporation to perpetual, increase the authorized capital stock from 5 million divided into 50,000 common shares to 10 million divided into 10,000,000 common with a par value of ₱1.00 per share and that 2,899,500 common shares are to be subscribed by OHC at ₱10.00 per share and has been fully paid via conversion payable recorded per books.

On April 11, 2022, the SEC approved the application for the above amendments. As of December 31, 2023, 7,899,500 common shares of NRC are subscribed and paid with additional paid-in capital of ₱48,600,000.

OTY Development Corp. ("ODC") was incorporated on March 7, 2008, and at present, has an authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share. As of December 31, 2023, 24,995 common shares of ODC are subscribed and paid.

KGT Ventures Inc. ("KVI") was incorporated on March 11, 2008 with an initial authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

On December 5, 2019, the BOD of MPC, NRC, ODC and KVI unanimously approved to cancel the appropriation of the retained earnings as additional equity investments amounting to Fifty Four Million Pesos (₱54,000,000) for each company and further approved to declare the same as cash dividends.

On June 3, 2021 and June 9, 2021, the BOD and stockholders of MPC, ODC and KVI unanimously approved the reduction of the par value of its common share from ₱100.00 per share to ₱1.00 per share; the Company shall have perpetual corporate existence; the authorized capital stock shall be ₱10 million divided into 10,000,000 common shares, with a par value of ₱1.00 per share and that 2,899,500 shares are to be subscribed by OHC with subscription price of ₱10.00 per share.

On October 9, 2023, the SEC approved the application of MPC and KVI for the above amendments. As of December 31, 2023, 7,899,500 common shares of MPC and KVI are subscribed and paid with additional paid-in capital of ₱48,600,000.

As of reporting date, ODC's application for the above amendments is still pending SEC's approval.

Ibayo Island Resort Corp. ("IIRC") was incorporated on August 14, 2007, and at present, has an authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share. As of December 31, 2023, 12,500 common shares of IIRC are subscribed and paid.

2Big Philippines Inc. ("2Big Phil") (formerly Tubig Pilipinas Corp.) was acquired by the Company by virtue of a Deed of Absolute Sale executed with Philippine H2O Ventures Corp. ("H2O") (now PH Resorts Group Holdings, Inc.) ("PHR") on June 1, 2018.

2Big Phil was incorporated on April 14, 2006 to engage in, carry on, conduct, operate, manage and maintain the general business of development and utilization of water resources which have for their objects the harnessment, production and supply of water for domestic, municipal, agricultural, industrial, commercial or recreational purposes and to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and related system elements required thereto.

On January 19, 2022, the SEC approved the amendment of 2Big Phil's secondary purpose; the change to perpetual corporate existence; the increase in number of directors from five to nine; the provision for waiver of pre-emptive rights for its stockholders.

2Big Phil has an authorized capital stock of ₱500 million divided into 500 million shares with par value of ₱1.00. To date, the total amount of capital stock subscribed is ₱163,450,000 and paid-up capital is ₱442,000,000 inclusive of additional paid-in capital of ₱278,550,000.

Calapan Waterworks Corporation ("CWWC" or "Calapan Water") was incorporated on May 23, 1991 and at present, has an authorized capital stock of ₱200 million divided into 200 million common shares, with a par value of ₱1.00 per share. As of December 31, 2023, 137,909,053 common shares of Calapan Water are subscribed and paid.

On November 13, 2014, CWWC and 2Big Phil subscribed shares in Nation Water Corporation.

Nation Water Corporation ("NWC") is a pre-operating company that was formally registered with the SEC on November 13, 2014 primarily to engage in, carry on, conduct, operate, manage and maintain the general business of development and utilization of water resources which have for their objects the harnessment, production, and supply of water for domestic, municipal, agricultural, industrial, commercial and recreational purposes to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and other related system elements required thereto. It has an authorized capital stock of ₱10 million divided into 10 million common shares with a par value of ₱1.00 per share. Currently, 2.5 million common shares are subscribed and paid.

On July 13, 2018, the BOD of CWWC approved a total subscription of 2,499,995 common shares of Greater Rosario Water Inc. at ₱1.00 per share.

Greater Rosario Water Inc. ("GRWI") was incorporated on July 13, 2018, primarily to engage in, carry on, conduct, operate, manage and maintain general business development and utilization of water resources which have for their objects the harnessment, production and supply of water for domestic, municipal, agricultural, industrial, commercial or recreational purposes to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and other related system elements required thereto. GRWI has an authorized capital stock of ₱10 million divided into 10 million common shares at ₱1.00 par value. To date, the total amount subscribed is ₱2,500,000 and ₱625,000 of which is paid.

On October 4, 2018, the BOD of CWWC approved a total subscription of 1,249,995 common shares of Tubig Bohol Corporation with a par value of ₱1.00 share.

Tubig Bohol Corporation ("TBC") was incorporated on October 4, 2018, primarily to engage in, carry on, conduct, operate, manage and maintain the general business development and utilization of water resources which have for their objects the harnessment, production and supply of water for domestic, municipal, agricultural, industrial, commercial or recreational purposes to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and other related system elements required thereto. TBC has an authorized capital stock of ₱10 million divided into 10 million common shares with par value of ₱1.00 a share. To date, the total amount subscribed is ₱2,500,000 with paid-up capital of ₱625,000.

On March 24, 2014, the BOD of JOH approved to purchase 100% of the total outstanding shares of pre-operating company Philippine Hydro Electric Ventures Inc. ("PHEVI") equivalent to 79,999,300 common shares at ₱1.00 a share. Subsequently, JOH sold all of its shareholdings in subsidiary Ormin Power Inc. to PHEVI. These transactions did not affect the consolidated financial results of the Company.

Philippine Hydro Electric Ventures Inc. ("PHEVI") was incorporated on July 17, 2009, primarily to lease and purchase land, marine, aquatic and environmental resources of the Philippines to the extent permitted by law and to develop and conserve places with tourism value. The SEC has approved PHEVI's amended Articles of Incorporation on November 23, 2014, amending its primary purpose as to engage in, own develop, construct, rehabilitate, operate and maintain water and electric power plant systems and facilities, renewable and indigenous power generation plants and other types of power generation and/or converting stations; and to make the necessary undertaking for the distribution of such facilities to consumers; to act as holding company or joint venture partner or investor in the business of developing, operating, and/or owning power generation plants. On October 26, 2018, the SEC approved PHEVI's application for an increase in authorized capital stock to ₱1 billion divided into 1 billion common shares with par value of ₱1.00 per share from ₱300 million divided into 300 million shares with a par value of ₱1.00 a share.

On February 28, 2022, the SEC approved the amendment of PHEVI's secondary purpose, the change to perpetual corporate existence, the increase in the number of directors from five to nine, the reduction of par value from one peso (₱1.00) per share to ten centavos (₱0.10) per share and the provision for waiver of pre-emptive rights for its stockholders. As of reporting date, PHEVI's authorized capital stock is ₱1 billion divided into 10 billion common shares with a par value of ₱0.10 per share. PHEVI has a subscribed and paid-up capital of ₱255 million.

Ormin Power Inc. ("OPI") was incorporated on April 27, 2009 to provide power generation and electricity supply services to distribution utilities, including but not limited to, electric cooperatives; to install, build, own, lease, maintain or operate power generation facilities, using fossil fuel, natural gas, or renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services.

On December 28, 2018, SEC approved the increase in OPI's authorized capital stock from 766,000,000 divided into 466,000,000 common shares with par value of ₱1.00 per share and 300,000 preferred shares with par value of ₱1,000 per share to 1,066,000,000 consisting of 466,000,000 common shares at ₱1.00 par value per share and 600,000 preferred shares at ₱1,000 par value per share.

On September 21, 2023, OPI's BOD authorized and approved the declaration of cash dividends out of the unrestricted retained earnings of OPI in favor of its preferred shareholders for the period October 1, 2018 to December 28, 2023 amounting to ₽219.505 million in accordance with the Preferred Shares Subscription Agreements and Term Sheet subject to compliance with applicable laws and regulations.

As of December 31, 2023, OPI had a subscribed and paid-up capital of ₱1.003 billion and ₱948.910 million, respectively, with additional paid-in capital of ₱25.600 million.

Neither the Company nor its subsidiaries are the subject of any bankruptcy, receivership or similar proceedings.

(2) Business of Issuer

The Group (refers to Jolliville Holdings Corporation and its subsidiaries) has principal business interests in leasing, management services, property development, land banking, local waterworks system, business process outsourcing, and power generation.

The Group owns and holds title to a number of properties in Metro Manila, Calapan City, and Puerto Galera in Oriental Mindoro. These property investments, which include parcels of urban land, provincial and beachfront properties, as well as condominium units, are held for future operations and/or development.

JOH and ORDC leases and rents out certain assets including land, buildings & improvements, furnishings and fixtures, equipment, and machineries to a number of independent business entities involved in the operation and management of KTV entertainment/recreation centers in the Metro Manila area.

A group subsidiary, JGMI provides general management services and assistance to companies within and affiliated to the Group, notably Calapan Water. Another consolidated subsidiary, SBI, on the other hand, provides business process outsourcing services to its affiliated companies and third parties engaged in the KTV entertainment and leisure/recreation business. All relevant contracts are reviewed annually.

Calapan Water owns and operates exclusively the waterworks system of Calapan City, Oriental Mindoro by virtue of its legislative franchise under Republic Act No. 9185 which will expire on February 9, 2028 and a Certificate of Public Convenience (CPC) issued by the National Water Resources Board (“NWRB”) which expired last January 17, 2023. On February 27, 2023, NWRB extended the Provisional Authority issued to Calapan Water last September 13, 2022 until June 14, 2023 due to its inability to process the CPC application as a result of the restrictions brought abought by the COVID-19 pandemic. On May 25, 2023, NWRB issued Resolution No. 03-0523 amending the validity of Provisional Authority on applications for CPC and other related applications. This resolution further extends the Provisional Authority of Calapan Water until December 31, 2025. Calapan Water is one of the few privately owned water systems in the country today. It has no competitor nor known opposition to its franchise within its franchise area.

As of December 31, 2023, the water supply system serves ten (10) urban barangays and twenty-nine (29) adjoining rural barangays. The total number of water service connections is now at 20,454 from the previous year’s 19,418. It currently serves 19,146 residential and 1,308 commercial clients. It is not dependent on one or few major customers nor does it depend on a limited number of suppliers.

CWWC’s average Non-Revenue Water (NRW) went down to 18.63% for 2023 as against 23.97% of the previous year. For the month of December 2023, non-revenue water is 14.37% from 22.31% of December 2022. The decrease in NRW is due to the installation of filter tanks resulting to reduction of flushing points and lesser frequency of draining and cleaning of tanks.

Regular bacteriological and chemical/physical test results released by the Batangas Water District Laboratory indicate that all of CWWC’s water sources conform to the Philippine National Standards for Drinking Water (PNSDW).

Calapan Water formally took over the operation of the water system of the Tabuk City, the capital of Kalinga province, in October 2006. Under the contract with the Local Government of Tabuk, Calapan Water will operate and maintain the water system in Tabuk City for a period of 15 years. This lease agreement was extended for another 10 years (from year 2021) or up to September 30, 2031 through a resolution passed by the legislative council of Tabuk City on February 2, 2010. The water system remains the property of the local government.

The subscriber base stood at 5,181 as of December 31, 2023 while 4,967 as of December 31, 2022. The system is designed to accommodate approximately 7,000 subscribers, given that source replacements are implemented. CWWC in Tabuk draws water from the ground and distributes the water through the LGU owned water system leading to each household.

Calapan Water has no direct competition for the waterworks business in its service areas.

Calapan Water is very much dependent on its being able to have continuing business with its existing customers. Its water subscribers are dependent on Calapan Water for their daily water needs. As such, Calapan Water does not foresee losing clients as long as Calapan Water continues to deliver quality potable water to its service area.

CWWC incurred minimal expenses for research and development activities as well as for compliance to environmental laws. These costs are a small percentage of revenues for the calendar years 2023, 2022, and 2021.

OPI began its commercial operations last November 11, 2011. It operates a 9.6 MW diesel fuel-fired power plant in Calapan City to supply electricity to Oriental Mindoro Electric Cooperative (ORMECO).

OPI's Hydro Power Plant project is a 10 MW mini-hydro power facility in the Municipality of San Teodoro in the Province of Oriental Mindoro. It was commissioned last January 14, 2019, and was formally inaugurated on March 23, 2019. It has been the most capital intensive project of the Group, built to develop the province's hydro-power resources essential to meet energy demand over the next 10 years.

OPI considers ORMECO as a significant customer being the primary off-taker of the power produced by OPI.

The Group does not spend material amounts for business development activities as most plants are developed internally.

Except for the waterworks business where it has no direct competition, the Company carries out most of its business activities in a competitive environment and competes in terms of market reach, diversity, customer relations, and pricing, among others. Heightened competition could negatively affect the Company's operational results.

In the leasing business, the Company competes with a number of financial institutions and real estate companies, both domestic and international. While its competitors offer their lease properties to the general public, none of them have concentrated and specialized on servicing the particular market niche of the Company, the KTV operators. The long-established relationship of the Company with its KTV clients in the renting out of facilities, furnishings and equipment puts it at some advantage vis-à-vis its competitors. This competitive advantage is further strengthened by the business process outsourcing contracts of the Company with its KTV clients.

The Company's primary competitors in the management services and business process outsourcing industries are the management services and the business process outsourcing units of the other major independent accountancy firms, and international BPO companies. However, the Company considers as its competitive advantage, its long-time relationship with its clients as well as the fact that it has multi-faceted business relationship with them (it also rents out to the same clients furnishing, fixtures, furniture and equipment for their KTV operations). The management services and business process outsourcing lines are highly dependent on the continuing renewals of its contracts with its clients. The Company is confident though that, for as long as the KTV operations of its clients are viable and profitable, it will continue to service the specialized business process outsourcing needs of these clients.

Land banking and property development is a highly competitive industry. The major industry and sector leaders of this industry include the SM Group and Robinsons Land that are more focused on retail mall development, Ayala Land that is involved in residential, commercial, high rise, and industrial development, Sta. Lucia Realty which is into residential, commercial and leisure/resort development, Filinvest Land which is into central business district development, Megaworld and Empire East Land which are into both horizontal (subdivision & townhouses) and vertical (condominium) residential and commercial development.

For now, the Group does not plan nor propose going into other types of businesses or offer any new service.

The Company is very much dependent on its being able to have continuing business with its existing clients and customers. The Company has had a long-time relationship with these clients and does not foresee losing any of them.

The Company's subsidiaries involved in the service industries need no special government approvals. However, its waterworks business through Calapan Water and its power generation business through OPI require several special government approvals such as Environment Compliance Certificate from the Department of Environment and Natural Resources (DENR), water permits from the National Water Resources Board (NWRB), Certificate of Compliance from Energy Regulation Commission (ERC) and Permit to Operate from the DENR. Water tariff rates are subject to regulation by the NWRB, while power rates are approved by the ERC. The complexities of tariff regulation require consideration of many factors including the proponent's return of investment.

Item 2. Properties

The Company's real properties, owned directly and indirectly, through its consolidated subsidiaries, are summarized in the following table. These properties are covered with the titles (TCTs and CCTs) in the name of the Company itself or its subsidiaries.

Properties	Nature	Address	Owned/ Rented Out	Condition
Land and Building	Commercial	Quezon Ave., Quezon City	Rented Out	Good
Land and Building	Commercial	Quezon Ave., Quezon City	Rented Out	Good
Land	Residential	Martinez St., Diliman, Quezon City	Owned	Good
Land and Building	Commercial	Lot 7, Blk. WT-7, West Ave., Quezon City	Owned	Good
Land and Building	Commercial	McArthur Highway, Caloocan City	Rented Out	Good
Condominium Unit	Residential Condominium and Parking Slot	3-BR, Unit A-16/ F and Parking Slot, B3-2, Goldland Tower, Greenhills, San Juan City	Owned	Good
Condominium Unit	Residential Condominium and Parking Slot	2-BR, Unit 1702 and Parking Slot No. 10, Chateau de Baie, Roxas, Parañaque City*	Owned	Good
Condominium Unit	Residential Condominium and Parking Slot	3-BR, Unit 705 and Parking Slot No. 13, Chateau de Baie, Roxas, Parañaque City*	Owned	Good
Condominium Unit	Residential Condominium and Parking Slot	3-BR, Unit 801 and Parking Slot No. 12, Maple Tower, Binondo, Manila*	Rented Out	Good
Condominium Unit	Residential Condominium	2-BR, Unit 1202, Nobel Plaza, Valero St., Makati City	Owned	Good
Condominium Unit	Commercial (Office Use) and Parking Slots	4th Floor, Commercial Space and 15 Parking slots, 20 Lansbergh Place, Tomas Morato, Quezon City	Owned	Good
Condominium Unit	Commercial	11th Floor Commercial Space, EGI Rufino Plaza, Pasay City*	Owned	Good

Properties	Nature	Address	Owned/ Rented Out	Condition
Condominium Unit	Residential Condominium	Unit 17-L, The Trion Towers 2, BGC, Taguig City	Rented Out	Good
Land	Institutional/ Commercial	Brgy. Calero, Calapan City, Oriental Mindoro	Owned	Good
Land	Institutional/ Commercial	Brgy. Calero, Calapan City, Oriental Mindoro	Owned	Good
Land	Nature Reserve Island/ Agricultural	Pulong Gitna, Calapan City, Oriental Mindoro	Owned	Good
Land	Nature Reserve Island/ Agricultural	Pulong Malaki, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural/ Commercial	Puerto Galera, Oriental Mindoro	Owned	Good
Land	Well Site	Brgy. Tawiran, Calapan City, Oriental Mindoro	Owned	Good
Land	Well Site	Brgy. Sta. Maria, Calapan City, Oriental Mindoro	Owned	Good
Land	Well Site	Brgy. Pachoca, Calapan City, Oriental Mindoro	Owned	Good
Land	Well Site/ Residential	Brgy. Lalud, Calapan City, Oriental Mindoro	Owned	Good
Land	Well Site	Brgy. Ilaya, Calapan City, Oriental Mindoro	Owned	Good
Land	Commercial	Brgy. Sta. Isabel, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Brgy. Sta. Isabel, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Pola, Oriental Mindoro	Owned	Good
Land	Commercial	Poblacion, Municipality of Roxas, Oriental Mindoro	Rented Out	Good
Land	Agricultural	Barrio Bulusan (Bondoc), Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Biga, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Lot 18, 19 and 20 Bayanan I, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Lot 1, 2, 3, 4, 5 and 6 Bayanan I, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Lot 1, Sta. Isabel, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Lot 528-B, Brgy. Sapul, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Lot 673-C, Brgy. Bondoc, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Lot 878, Brgy. Bondoc, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Lot 879-A, 879-B, 879-C and 879-D, Brgy. Bondoc, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Lot 891-A, Brgy. Bulusan, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Lot 892, Brgy. Bulusan, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural	Lot 6, Brgy. Bulusan, Calapan City, Oriental Mindoro	Owned	Good
Land	Agricultural/ Mineral	Lot No. 2-A, Batuhan, Pola, Oriental Mindoro	Owned	Good
Land	Residential	Lot 518-C-1-B, Brgy. Bayanan I, Calapan City, Oriental Mindoro	Owned	Good
Land	Commercial	Brgy. Bayanan I, Calapan City, Oriental Mindoro	Owned	Good
Land	Residential	Lot 1, 2, 3, 4 and 5, Block 6, Bayanan, Calapan City, Oriental Mindoro	Owned	Good
Property, Plant and Equipment	Bunker Fuel Fired Power Plant*	Calapan City, Oriental Mindoro	Owned	Good
Property, Plant and Equipment	Mini Hydro Power Plant*	Municipality of San Teodoro, Oriental Mindoro	Owned	Good
Property, Plant and Equipment	Water Utilities and Distribution System*	Calapan City, Oriental Mindoro	Owned	Good

Note: None of the properties above are subject to liens nor encumbrances except for those marked with an asterisk (*)
* Properties used as security for various short term and long term loans. Please refer to Note 14 to the Consolidated Financial Statements.

Item 3. Legal Proceedings

The following are pending cases where JOH and its subsidiaries are involved in:

a. Legal cases involving JOH

Jolliville Holdings Corporation ("JOH" or the "Company") vs. Philippine British Assurance Co., Inc. ("PBAC")
Civil Case No. 044051, Regional Trial Court, National Capital Judicial Region, Branch 143, Makati City

To recall, on September 10, 2004, the Company filed a Complaint [*With Application for the Issuance of A Writ of Preliminary Attachment*] dated September 8, 2004 (the *"Complaint"*) with the Regional Trial Court ("RTC" or the "trial court") of Makati City. The *Complaint* sought the recovery of the Company's outstanding insurance claims against defendant PBAC amounting to at least ₱34,860,741.41, exclusive of interest. In addition, the Company prayed for the payment of ₱2,000,000 by way of exemplary damages and ₱1,000,000 as attorney's fees and litigation expenses.

On December 13, 2016, the Company received a copy of the Decision dated December 7, 2016, where the trial court rendered judgment in favor of JOH and against defendant PBAC. In the said Decision, PBAC was ordered to pay the Company the following:

1. ₱20,000,000 under the Policy HOFO1FD-FL-S001737 for the damage to the machineries, equipment and other facilities usual to the Company's business including building improvements and betterments thereon, plus interest of 12% per annum from November 21, 2001 until fully paid;
2. ₱10,000,000 under Policy HOFO1FD-FI-S001738 for office furniture, fixtures, fittings and other equipment usual to the Company's business including building improvements and betterments thereon, plus 12% per annum from November 21, 2001 until fully paid; and
3. Costs of suit.

On January 4, 2017, JOH received a copy of the Motion for Reconsideration dated December 23, 2016 filed by defendant PBAC praying for the reconsideration of the Decision dated December 7, 2016. On March 13, 2017, the Company filed its Comment/Opposition and received a copy of PBAC's reply on April 20, 2017. The court issued a Resolution on May 12, 2017 denying PBAC's Motion for Reconsideration and affirmed its Decision dated December 7, 2016.

On May 26, 2017, JOH received a copy of PBAC's Notice of Appeal dated May 23, 2017 on the ground that the Resolution dated May 12, 2017 and Decision dated December 7, 2016 are supposedly not in accord with the facts established by evidence on record and are contrary to law. The court gave due course to the Notice and directed the transmittal of the record of the case to the Court of Appeals for proper disposition through a Court Order dated May 26, 2017.

CA G.R. CV No. 109088, Court of Appeals (CA), Manila, Eighth (8th) Division

On October 9, 2020, the Company received the CA Decision dated September 24, 2020 which favorably dismissed the appeal of PBAC and affirmed the RTC decision dated December 7, 2016 but reduced the interest rate from 12% to 6% per annum reckoned from November 21, 2001 until the finality of the judgment and until its full satisfaction.

On November 3, 2020, PBAC filed motion for reconsideration which was denied by the CA on its Resolution dated June 1, 2021. On July 9, 2021, the Company received the CA's Resolution dated June 4, 2021, rectifying the Resolution dated June 1, 2021 to reflect the true import and meaning of the CA Decision.

G.R. No. 256680, Supreme Court (SC), Manila, Second (2nd) Division

On July 30, 2021, PBAC filed its Petition for Review on Certiorari dated July 27, 2021 praying for the reversal and setting aside of the CA Decision and CA Resolutions.

On November 29, 2021, the Company received a copy of the SC's Resolution dated October 11, 2021, which, among others, denied the Petition for Review on Certiorari for failure to sufficiently show any reversible error in the assailed judgment to warrant the exercise of the SC's discretionary appellate jurisdiction.

On December 20, 2021, the Company received a copy of PBAC's Motion for Reconsideration (MR) dated December 6, 2021.

On March 20, 2023, the Company received the PBAC's Supplemental MR dated March 6, 2023 which claimed that the Company's non-disclosure of co-insurance prevents the claims, a matter which was not raised in its MR.

On August 18, 2023, the Company received a Resolution from the SC ordering the Company to file its Comment to the MR filed by PBAC.

On September 7, 2023, the Company filed a Comment/Opposition on the MR filed by PBAC on December 6, 2021 and on the Supplemental MR filed on March 6, 2023.

On October 20, 2023, the Company received a copy of PBAC's Motion to File and Admit Reply dated October 9, 2023.

As of reporting date, the Company has not received any resolution from the SC concerning PBAC's MR. Based on the Company's legal counsel's review of the pleadings filed by the parties involved and the issuances of the courts, it appears that there are strong grounds for the denial of the Motion for Reconsideration since PBAC merely raised its old arguments in the Appellant's Brief, which the CA already denied in the CA decision.

Legal case involving OPI

In the Matter of the Application for Approval of the Power Supply Agreement (PSA) between ORMECO and OPI with Prayer for Issuance of Provisional Authority (PA), ERC Case No. 2011-017 RC

On June 21, 2016, the ERC issued its Decision approving the PSA between ORMECO and OPI for the Modular Bunker Fuel-Fired Power Plant in Calapan City subject to the condition that the approved rates shall be ₱2.0931/kWh (pre-maximization) and ₱1.9686/kWh (post-maximization) as opposed to the PSA generation rate of ₱2.95/kWh.

On October 17, 2016, OPI filed an Omnibus Motion for Partial Reconsideration and for the issuance of a Status Quo Order to the ERC (Omnibus Motion). In its Omnibus Motion, OPI requested that the ERC should reconsider to (1) include the pre-operating expenses, contingency, permits/licenses and other development costs in ERC's computation of the total project cost as a component of the capacity fee and (2) use the historical average of the actual delivered energy instead of the contracted energy of 3,800,000 kWh/month and 4,939,200 kWh/month in fixing the billing determinants. In the Omnibus Motion, OPI prayed for the issuance of a Status Quo Order enjoining the ORMECO and National Power Corporation to observe the status prevailing prior to the issuance of the Decision dated June 21, 2016.

In response, the ERC issued a Status Quo Ante Order on June 6, 2017 deferring the implementation of the approved generation rates for a period of no more than six (6) months or until the issues raised in OPI's Motions have been resolved. The ERC has extended the Status Quo Order until September 5, 2019 to review further the case in view of the discrepancies of the rate components prescribed under the PSA and the presented in the Omnibus Motion.

On June 8, 2020, OPI received ERC's Order dated September 3, 2019 partially granting OPI's Motion for Reconsideration and Supplementary Motion for Consideration and pronounced the basic tariff rate, net of fuel, of ₱2.2959 (pre-maximization) using the contracted energy of 3,800,000 kWh/month and ₱2.1522 (post-maximization) using the contracted energy of 4,939,200 kWh/month.

In the said Order, ERC also directed OPI and ORMECO to file recovery and refund schemes based on the final rates approved. OPI filed its Manifestation with the ERC recognizing the above-mentioned rates on June 23, 2020 and also filed its Notice of Compliance on July 8, 2020, detailing the recovery and refund scheme.

On January 22, 2021, OPI filed a Motion for Clarification dated January 14, 2021, seeking to clarify or confirm whether the indexation per approved adjustment formula in the Decision dated June 21, 2016 remains applicable in computing the operation and maintenance (O&M) fees. In addition, OPI requested ERC to require NPC to settle the unpaid portion of OPI's billed O&M fees pertaining to adjustment, with interest from the time it was unilaterally withheld until full payment is made, considering that OPI was detrimentally affected by the act of NPC, and has resorted to borrowings to finance its continuous operation. OPI is still awaiting reply from ERC.

Additionally, on April 15, 2021, OPI filed a Comment to ORMECO's Compliance Ad Cautelam dated July 28, 2020 and prayed that the same be duly considered in the resolution of OPI's Recovery Scheme submitted to implement ERC Order dated September 3, 2019.

On October 24, 2022, OPI wrote a Letter-Request to the ERC for Notice of Finality. OPI asserted that, based on records, no appeal from the September 3, 2019 Order was filed by any of the parties within the reglementary period. Thus, applying the relevant provisions of the ERC's Rules of Practice and Procedure the Decision dated 21 June 2016 has already become final and unappealable. In view of the foregoing, OPI requested the Honorable Commission for the issuance of a Notice of Finality of its Decision in ERC Case No. 2011-017 RC.

Also, on January 27, 2023, OPI filed a Reply with Motion to Resolve before the ERC. OPI alleged the following:

a. NPC has already prematurely implemented the reliefs being prayed for pre-empting the Honorable Commission's ruling;
b. In doing so, NPC seemed to disregard the Honorable Commission's mandate as the sole approving authority to grant rates, including appropriate adjustment and/or indexation thereof;
c. In its letter to NPC dated 26 January 2022, ERC said that NPC's inclination to suspend approved rates pending prior approval from the Honorable Commission was inappropriate and without legal basis, and that NPC should refrain from continuing its act of withholding payments absent any formal ruling of the Commission thereon;
d. O&M Fees are subject of indexation/adjustment:
    1. The adjustment/indexation of the O&M Fees is mutually agreed upon by OPI and ORMECO under their PSA;
    2. The adjustment/indexation was approved by the Honorable Commission in its 2016 Decision;
    3. OPI did not seek reconsideration of the O&M Fees, not being part of its Omnibus Motion for Partial Reconsideration, which was resolved in the 2019 Order. Further, the 2019 Order did not order OPI to discontinue the previously approved indexation/adjustment of the O&M Fees;
    4. Subjecting the O&M Fees to the approved adjustment formula is also in accordance with Section 43 (f) of the Electric Power Industry Reform Act of 2001 ("EPIRA") providing that rates must be such as to allow the recovery of just and reasonable costs to enable the entity, in this case OPI, to operate;
    5. Adjustment/indexation is in line with the ERC's policy of allowing indexation of O&M Fees owing to its nature as recurring expenses in the operation of power plant facilities. By directly collecting from OPI, NPC conveniently failed to mention the fact that ORMECO has yet to pay its obligation to OPI and that, in turn, OPI can only fulfill its financial obligations to NPC once OPI receives payment from ORMECO.
e. OPI prayed that its Motion for Clarification dated 14 January 2021 be resolved.

On June 6, 2023, OPI prayed that the instant Urgent Motion for Resolution be duly approved and OPI's Motion for Clarification dated January 22, 2021 be immediately resolved. On June 20, 2023, NPC prayed for the resolution of its Manifestation and Motion dated June 25, 2020 and OPI's Motion for Clarification dated January 14, 2021. On December 24, 2023, OPI prayed that the 2nd Urgent Motion for Resolution be duly considered and approved, and OPI's Motion for Clarification filed on January 22, 2021 be immediately resolved through the issuance of an Order on the following:

1. Clarifying that OPI's O&M Fees are subject to indexation/adjustment as per approved adjustment formula under the 2016 Decision; and
2. Directing NPC to settle all the unpaid portions of OPI's billed O&M Fees pertaining to the withheld adjustment amounting to ₱86.2 million as of September 25, 2023 and counting, plus interest from the time it was unilaterally withheld until the full payment and/or resolution thereof.

As of March 21, 2024, OPI is waiting for the ERC ORDER resolving the respective motions of the parties as well as the resolving the Refund/Recovery Scheme. The amount to be refunded and/or recovered depends on several variables including but not limited to, indexation and recovery period that are parties yet to be clarified and confirmed by the ERC for implementation by the OPI, ORMECO and NPC. Accordingly, neither asset nor liability was recognized as at December 31, 2023 and 2022.

In the Matter of the Approval of the Power Supply Agreement (PSA) between ORMECO and OPI with Prayer for Issuance of Provisional Authority (PA), ERC Case No. 2013-212 RC

On January 20, 2014, the ERC issued a PA on ERC Case No. 2013-212 RC with ₱5.90/kWh tariff rate. In addition, on January 12, 2015, ERC again issued another Order extending said provisional authority.

On December 22, 2021, OPI filed an Entry of Appearance with Omnibus Motions and Submission of Actual Costs dated December 16, 2021 relative to ERC's Resolution No. 02, Series of 2015 requiring the joint filing of applications for approval of PSAs by Distribution Utilities and Generation Companies. OPI joins ORMECO as a party in the application. Additionally, in the same motion, OPI requested that:

a. counsel's Entry of Appearance for OPI be duly noted;
b. that the Omnibus Motions requesting the immediate, final resolution of the Application, reflecting therein inflation and foreign exchange variations, and exemption from electronic filing under RC Resolution No. 09, Series of 2020 be approved;
c. that the Submission of its Actual Costs, including the attached exhibits, be duly admitted and considered in the final evaluation of the instant case; and
d. that a Decision approving the subject PSA between ORMECO and OPI, particularly the proposed rate of ₱6.00/kWh, with the ERC's customarily approved/existing adjustment mechanisms for hydropower plants, be immediately issued.

On February 14, 2023, ERC issued an Order directing the Company to submit the following: (i) Justification/Supporting Documents for the proposed Consumer Price Index (CPI) Adjustment; (ii) Water Permit from the National Water Resources Board (NWRB); and (iii) Board of Investment (BOI) Certificate of Registration with attached Terms and Conditions. On March 26, 2023, OPI filed a Notice of Compliance and submitted the following:

a. Memo on Inflationary Adjustments on O&M to justify the proposed adjustment/indexation to address inflation and foreign exchange fluctuations together with the AFS for 2019 to 2021;
b. Water Permit from NWRB; and
c. BOI Certificate of Registration with Terms and Conditions.

On April 12, 2023 OPI filed a Verified Motion and prayed that Order be issued by the Honorable Commission:

a. To amend its directive of using fair market value for the transfer of the Calangatan Switchyard to NPC-SPUG; instead, the acquisition cost be used in the transfer of the Calangatan Switchyard;

b. In the alternative, should such transfer be based on fair market value, to QUALIFY that "fair market value of the Calangatan Switchyard be based on commissioning date" bereft of depreciation.

As of March 21, 2024, OPI is waiting for the issuance of the Decision approving the PSA and its rates and adjustments (Final Authority) for IMHPP.

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

The Company held a Special Stockholders' Meeting (SSM) last February 13, 2019 for the purpose of approving the 66.03% property dividend declaration made by the Company's Board of Directors on January 4, 2019. Stockholders of record as of January 18, 2019 were entitled to vote at the SSM. The property dividends to be distributed are shares of stock of 2 subsidiaries of the Company, PHEVI and 2Big Phil. The property dividend amounts to ₱185,862,750, comprising of 76,500,000 shares of PHEVI carried at ₱1.00 per share and 42,225,000 shares of TPC carried at ₱2.59 per share. Carrying values are computed based on interim financial statements of both subsidiaries as of September 30, 2018. Entitled shareholders shall receive 27 shares of Phil Hydro and 15 shares of TPC for every 100 shares of JOH.

As a result of the declaration of the property dividends, JOH ownership in PHEVI will be reduced from 100% to 70% and JOH ownership in 2Big Phil will be reduced from 88.5% to 62.7%. Corporate shareholders are tax exempt (domestic and resident foreign corporation only) and shall receive the property dividends in full while individual shareholders shall receive the property dividends net of withholding tax.

Upon motion duly made and seconded, the stockholders approved, confirmed, and ratified the Board of Directors' declaration of the 66.03% property dividend.

The Board, in its meeting held on June 18, 2021, set the record date for stockholders entitled to the property dividend on August 27, 2021. The property dividend to be distributed remains to be 76,500,000 shares of PHEVI carried at ₱0.99 per share and 42,225,000 shares of 2Big Phil carried at ₱2.69 per share, or a total of ₱189,486,023.70. Carrying values were then computed based on the audited financial statements of both subsidiaries as of December 31, 2020. Entitled shareholders shall still receive 27 shares of PHEVI and 15 shares of 2Big Phil for every 100 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend.

On September 20, 2022, the SEC commented that the property dividends should be valued at acquisition cost of the common shares of PHEVI and 2BIG which aggregated ₱150.6 million.

As of reporting date, JOH's application for the property dividend is still pending approval of the SEC.

Item 5. Business Risk

Business risk is defined as threats to the organization's capability to achieve its objectives and execute its business strategies successfully. The organization's value creation objectives define the context for management's determination of risk management goals and objectives which, in turn, drive and focus the process of managing business risk.

The major risks facing the Group's businesses are briefly described below. Since the Group caters to a niche market (KTV operators) for its leasing and management services businesses, our risk sourcing is ultimately tied-in to the risks facing our clients.

Economic Circumstances

Economic circumstances are the characteristics and condition of the general business within which commerce is conducted. Due to the difficult business climate and reduced business activity, companies have become prudent spenders and are continuously trying to identify expenditures it could reduce or completely do without. One of the areas most affected are its budgets for leisure and recreation.

Human Caused Disasters
Human caused disasters pertain to major events that cause significant damage, destruction, and/or human casualties arising from human caused events such as acts of terrorism. Peace and order remains a concern and densely populated establishments such as malls, entertainment centers, cinemas and the like are the most likely targets. As a result, people tend to avoid these places.

On March 2020, the National Government declared a State of Public Health Emergency throughout the Philippines due to the Coronavirus Disease 2019 (COVID-19) and the Code Alert System for COVID-19 was raised to Code Red Sublevel Two (2) in accordance with the recommendation of the Department of Health (DOH) and the Inter-Agency Task Force for the management of emerging infectious diseases. The President of the Republic of the Philippines declared a State of Calamity throughout the country and imposed an Enhanced Community Quarantine throughout Luzon.

The COVID-19 outbreak has materially affected the leasing activities of the Company since some lessees' businesses are affected by the COVID-19 situation and some have decided to close temporarily. While the lessees pay rent on a monthly basis under a yearly contract, their capacity to pay the rent was compromised by the economic downturn as an impact of COVID-19 pandemic.

Government Activities
Government activities are the functions undertaken to operate a political unit, including adopting and enforcing laws and regulations, supplying goods and services, and contracting for goods and services from private businesses. Calapan Water is moderately regulated and the actions of government agencies such as the NWRB hold with respect to rate increases and the operation of new water sources.

Human Behavior
Human behavior is defined as a broad range of positive and negative human activity that may affect a business' ability to reach its goals. The habits of consumers with regard to water usage may adversely affect the Group's businesses.

Through an integrated business risk management process, senior management determines how much risk they are willing to accept when balancing risks and rewards, and allocating resources. They communicate to operating managers, risk managers and process/activity owners the level of acceptable risk.

Our business risk management is a continuous process of:

- **Establishing** risk management objectives, tolerances and limits for all of the Group's significant risks
- **Assessing** risks within the context of established tolerances
- **Developing** cost-effective risk management strategies and processes consistent with the overall goals and objectives
- **Implementing** risk management processes
- **Monitoring** and reporting upon the performance of risk management processes
- **Improving** risk management processes continuously
- **Ensuring** adequate communication and information for decision making

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

JOH only has unclassified common shares that is traded at the Philippine Stock Exchange (“PSE”).

The high and low sales prices of the Company’s securities for each quarter are indicated in the table below:

Quarter	High	Low
1st quarter 2024	8.96	5.00
4th quarter 2023	8.98	4.47
3rd quarter 2023	3.71	3.70
2nd quarter 2023	4.05	3.71
1st quarter 2023	4.51	3.51

Last transaction date was on March 21, 2024 and the closing price was at ₱5.50 per share.

The market capitalization of JOH as of December 31, 2023 is ₱2,522,240,000, based on the closing price on the same day of ₱8.96 per share.

(2) Holders

The following table sets forth the Company’s top twenty shareholders and their corresponding number of shares held as of December 31, 2023:

Rank	Shareholder Name	Shares Held	Percentage
1	Elgeete Holdings, Inc.	125,783,791	44.683%
2	PCD Nominees Corp.-Filipino	60,078,117	21.342%
3	Myron Ventures Corp.	18,000,000	6.394%
4	Dopero Corporation	13,000,000	4.618%
5	Febra Resources Corp.	12,503,925	4.442%
6	A-net Resources Corp.	12,503,925	4.442%
7	Kenly Resources Inc.	12,503,925	4.442%
8	Oltru Holdings Corp.	12,503,925	4.442%
9	See, Rodolfo Lim	5,994,000	2.129%
10	Genmaco Corp.	2,709,500	0.963%
11	PCD Nominees Corp.-Foreign	1,305,883	0.464%
12	Phyvita Enterprises Corp.	1,047,200	0.372%
13	Yao, Ortrud T.	1,000,001	0.355%
14	Ting, Jolly L.	959,999	0.341%
15	Ting, Kenrick G.	500,001	0.178%
16	Ongcarranceja, Nanette T.	500,001	0.178%
17	Ting, Lourdes G.	480,000	0.171%
18	Ensure Holdings Corp.	110,800	0.039%
19	Pascua, Rogelio	7,000	0.003%
20	Morelos, Lilian Guison	5,000	0.002%

(3) Dividends

The Board held a special meeting on January 4, 2019 approving the declaration of 66.03% property dividend of JOH with a total amount of One Hundred Eighty-Five Million Eight Hundred Sixty-Two Thousand Seven Hundred Fifty Pesos (₱185,862,750), comprising of 42,225,000 shares of 2Big Phil carried at ₱2.59 per share and 76,500,000 shares of PHEVI carried at ₱1.00 per share. Carrying values are computed based on interim financial statements of both subsidiaries as of September 30, 2018. Entitled shareholders shall receive 27 shares of PHEVI and 15 shares of 2Big Phil for every 100 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend. The Company held a Special Stockholders' Meeting last February 13, 2019 for the purpose of approving the 66.03% property dividend declaration made by the BOD. Upon motion duly made and seconded, the stockholders approved, confirmed, and ratified the Board of Directors' declaration of the 66.03% property dividend.

The Board, in its meeting held on June 18, 2021, set the record date for stockholders entitled to the property dividend on August 27, 2021. The property dividend to be distributed remains to be 76,500,000 shares of PHEVI carried at ₱0.99 per share and 42,225,000 shares of 2Big Phil carried at ₱2.69 per share, or a total of ₱189,486,023.70. Carrying values are now computed based on the audited financial statements of both subsidiaries as of December 31, 2020. Entitled shareholders shall still receive 27 shares of PHEVI and 15 shares of 2Big Phil for every 100 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend.

On February 28, 2022, the SEC approved the amendment of PHEVI's reduction of par value from one peso (₱1.00) per share to ten centavos (₱0.10) per share.

As of reporting date, JOH's application for the property dividend is still pending approval of the SEC.

(4) Recent Sales of Unregistered or Exempt Securities, including recent issuance of Securities constituting an exempt transaction

There is no sale of unregistered or exempt Securities, including recent issuance of securities constituting an exempt transaction during 2023, 2022, and 2021.

Item 7. Management's Discussion and Analysis

The information herein should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements and related notes thereto contained in this Report.

Results of Operations

	TWELVE MONTHS ENDED *(Amounts are in Thousand Pesos)*		
Profit & Loss Data	**Dec. 31, 2023**	Dec. 31, 2022 *(As Restated)*	Dec. 31, 2021 *(As Restated)*
Revenues	₱1,747,324	₱1,448,012	₱1,278,636
Direct costs	1,063,499	1,000,604	895,781
General and Administrative Expenses	173,234	135,706	122,219
Fair value gain on investment properties	204,294	60,206	313,556
Finance costs	99,391	96,903	102,546
Other Income (Charges) – Net	1,150	(3,074)	(11,662)
Income Tax Expense (Benefit)	58,709	22,242	32,428
Net Income	557,935	249,689	427,556
Other Comprehensive Income (Loss)	88,929	(499)	26,540
Total Comprehensive Income	646,864	249,190	454,096

	VERTICAL ANALYSIS % to Revenues			HORIZONTAL ANALYSIS *(Amounts are in Thousand Pesos)* Change from Prior Year					
Profit & Loss Data	**Dec. 31, 2023**	Dec. 31, 2022	Dec. 31, 2021	**2023 – 2022**	**%**	2022 – 2021	**%**	2021 – 2020	%
Revenues	100%	100%	100%	299,313	21%	169,375	13%	167,168	15%
Direct costs	60%	69%	70%	62,895	6%	104,823	12%	154,133	21%
General and Administrative Expenses	10%	9%	10%	37,528	28%	13,487	11%	-30,457	-20%
Fair value gain on investment properties	12%	4%	25%	144,088	239%	-253,350	-81%	227,751	265%
Finance costs	-6%	-7%	-8%	2,489	3%	-5,642	-6%	-11,256	-10%
Other Income (Charges) – Net	1%	0%	-1%	4,224	137%	-8,588	-74%	9,454	428%
Income Tax Expense (Benefit)	3%	2%	3%	36,466	164%	-10,186	-31%	3,460	10%
Net Income	32%	17%	33%	308,246	123%	-177,867	-42%	276,505	188%
Other Comprehensive Income (Loss)	5%	0%	2%	89,428	17,935%	-27,039	-102%	58,483	313%
Total Comprehensive Income	37%	17%	35%	397,674	160%	-204,906	-45%	334,989	203%

2023 compared with 2022

The consolidated net income for the year ended December 31, 2023 increased by ₱308,246,172 or 123% compared to ₱249,688,837 reported in 2022. The significant increase is mainly due to higher fair value gain on investment properties.

Revenues increased by 21% or ₱299,312,650 in 2023.
Power sales pertain to the electricity generation activity of OPI. OPI supplies electricity to Oriental Mindoro Electric Cooperative Inc. (ORMECO) and operates a bunker fuel fired power plant (CDPP) in Calapan City and the Inabasan mini hydro power plant (IMHPP) in the Municipality of San Teodoro, Oriental Mindoro. Power sales increased by 22.29% from ₱1,120,424,053 in 2022 to ₱1,370,173,669 for the year ended 2023 mainly due to higher fuel prices and the additional IMHPP cash incentive collected for the years 2019-2021 using the new rate of ₱2.9907/kWh. Fuel cost reimbursements form part of OPI's revenues despite being a passed on charge to ORMECO. Below are the power generation figures from the two power plants:

	2023	2022	Percentage of Decrease
CDPP	**46,804,716 kWh**	46,411,344 kWh	0.85%
IMHPP	**46,633,341 kWh**	44,768,276 kWh	4.17%

Water service revenues increased by ₱17,772,926 or 6.34% in 2023. The increase is attributable to additional number of water subscribers and production volume in service areas. Total subscribers base stood at 20,454 in Calapan City and 5,181 in Tabuk City as of December 31, 2023.

Rental income increased by 54.91% or ₱19,361,967 from ₱35,255,911 in 2022 to ₱54,617,878 in 2023. The improvement in rental income was due to the post pandemic alignment of lease rates to market rates.

Technical services increased by 103.56% or ₱12,428,141 from ₱12,000,342 in 2022 to ₱24,428,483 in 2023. This is due to contracts with new clients starting the second quarter of 2023 and rate increases in technical fees.

Direct costs increased by 6% or ₱62,895,249 for the year 2023.
Direct cost increased due to increase in fuel costs, repairs and maintenance and supplies from power operations, higher utilities incurred for water operations and increase in salaries and employee benefits and rental.

General and administrative expenses increased by 28% or ₱37,527,629 for the year 2023.
The increase is attributable to higher travel expenses, increase in salaries and employee benefits and additional outside services incurred.

Fair value gain on investment properties increased by 239% or ₱144,087,682 in 2023.
This is due to higher changes in fair value of the appraised investment properties of the Group.

Finance costs increased by 3% or ₱2,488,594 in 2023.
Additional finance costs are mainly due to increase in interest rates in 2023.

Net other income increased by 137% or ₱4,223,707 in 2023.
The increase of net other income is mainly due to gain on sale of investment property in 2023.

Income tax expense increased by 164% or ₱36,466,395 in 2023.
This is mainly due to the tax effect of higher fair value gain on investment properties in 2023.

Other comprehensive income increased by 17,935% or ₱89,427,806 in 2023.
The increase of other comprehensive income is mainly due to remeasurement gain on retirement benefits and gain on fair value changes of financial assets at FVOCI in 2023.

2022 compared with 2021

The consolidated net income for the year ended December 31, 2022 decreased by ₱177,866,913 or 42% compared to ₱427,555,750 reported in 2021. The significant decrease is mainly due to lesser fair value gain on investment properties.

Revenues increased by 13% or ₱ 169,375,264 in 2022.
Power sales pertain to the electricity generation activity of OPI. OPI supplies electricity to Oriental Mindoro Electric Cooperative Inc. (ORMECO) and operates a bunker fuel fired power plant (CDPP) in Calapan City and the Inabasan mini hydro power plant (IMHPP) in the Municipality of San Teodoro, Oriental Mindoro. Power sales increased by 13.98% from ₱983,042,395 in 2021 to ₱1,120,424,053 for the year ended 2022 mainly due to higher fuel prices and the new renewable energy cash incentive rate for IMHPP at ₱2.9907/kWh. Fuel cost reimbursements form part of OPI's revenues despite being a passed on charge to ORMECO. Below are the power generation figures from the two power plants:

	2022	2021	Percentage of Decrease
CDPP	**46,411,344 kWh**	51,511,992 kWh	9.90%
IMHPP	**44,768,276 kWh**	49,647,712 kWh	9.83%

Water service revenues increased by ₱9,162,429 or 3.38% in 2022. The increase is attributable to additional number of water subscribers and production volume in service areas. Total subscribers base stood at 19,418 in Calapan City and 4,967 in Tabuk City as of December 31, 2022.

Rental income increased by 115.30% or ₱18,880,850 from ₱16,375,061 in 2021 to ₱35,255,911 in 2022. This resulted from opening of client's businesses due to easing of COVID-19 pandemic restrictions.

Technical services increased by 49.07% or ₱3,950,327 from ₱8,050,015 in 2021 to ₱12,000,342 in 2022. This is due to contracts with new clients starting the third quarter of 2021.

Direct costs increased by 12% or ₱104,822,315 for the year 2022.
This was due to increase in fuel costs from power operations, higher utilities incurred for water operations and increase in salaries and employee benefits.

General and administrative expenses increased by 11% or ₱13,486,953 for the year 2022.
The increase is attributable to higher travel expenses, recognized provision for expected credit losses (ECL) and increase in repairs and maintenance.

Finance costs decreased by 6% or ₱5,642,939 in 2022.
Lesser finance costs are mainly due to lower outstanding balance in 2022 compared to 2021.

Fair value gain on investment properties decreased by 81% or ₱253,350,481 in 2022.
This is due to lesser changes in fair value of the appraised investment properties of the Group.

Net other charges decreased by 74% or ₱8,588,725 in 2022.
The decrease of net other charges is mainly due to loss on retirement of furniture and fixtures incurred in 2021.

Income tax expense decreased by 31% or ₱10,185,908 in 2022.
This is mainly due to the tax effect of lower fair value gain on investment properties in 2022.

Other comprehensive income decreased by 102% or ₱27,039,164 in 2022.
The decrease of other comprehensive income is mainly due to gain on equity investments at FVOCI and remeasurement gain on retirement benefits in 2021.

2021 compared with 2020

The consolidated net income for the year ended December 31, 2021 increased by ₱276,505,190 or 188% compared to ₱146,676,995 reported in 2020. The significant increase is mainly due to fair value gain on investment properties.

Revenues increased by 15% or ₱167,168,224 in 2021.
Power sales pertain to the electricity generation activity of OPI. OPI supplies electricity to Oriental Mindoro Electric Cooperative Inc. (ORMECO) and operates a bunker fuel fired power plant (CDPP) in Calapan City and the Inabasan mini hydro power plant (IMHPP) in the Municipality of San Teodoro, Oriental Mindoro. Power sales increased by 22.10% from ₱805,124,900 in 2020 to ₱983,042,395 for the year ended 2021 due to increase in power generation by both power plants. Fuel cost reimbursements form part of OPI's revenues despite being a passed on charge to ORMECO. Below are the power generation figures from the two power plants:

	2021	2020	Percentage of Increase
CDPP	**51,511,992 kWh**	50,147,580 kWh	2.72%
IMHPP	**49,647,712 kWh**	41,814,962 kWh	18.73%

Water service revenues slightly increased by ₱533,036 or 0.20% in 2021. The increase is attributable to additional number of water subscribers and higher production volume in service areas. Total subscribers base stood at 18,576 in Calapan City and 4,811 in Tabuk City as of December 31, 2021.

Rental income decreased by 44.09% or ₱12,913,266 from ₱29,288,327 in 2020 to ₱16,375,061 in 2021. This resulted from the termination of some lease contracts due to COVID-19 pandemic.

Technical services increased by 25.41% or ₱1,630,959 from ₱6,419,056 in 2020 to ₱8,050,015 in 2021. This is due to contracts with new clients starting the third quarter of 2021.

Direct costs increased by 21% or ₱154,132,847 for the year 2021.
This was due to increase in fuel costs from power operations, higher repairs and maintenance incurred for water operations, increase in outside services and additional depreciation of property, plant and equipment.

General and administrative expenses decreased by 20% or ₱30,457,030 for the year 2021.
Much of the decrease is attributable to lesser transportation and representation incurred, lower purchases of office supplies and lesser depreciation of property, plant and equipment.

Fair value gain on investment properties increased by 265% or ₱227,751,481 in 2021.
This is due to net increase in fair value of the appraised investment properties of the Group.

Finance costs decreased by 10% or ₱11,255,725 in 2021.
Lesser finance costs are due to loan payments made during the year and lesser short-term loan availment.

Net other charges increased by 428% or ₱9,454,430 in 2021.
The increase of net other charges is mainly due to loss on retirement of furniture and fixtures.

Income tax expense decreased by 10% or ₱3,460,007 in 2021.
This is mainly due to the net effect of lower income tax rates and higher deferred income taxes due to fair value gain on investment properties.

Other comprehensive income increased by 313% or ₱58,483,986 in 2021.
The increase of other comprehensive income is mainly due to gain on equity investments at FVOCI and appraisal increase on property, plant and equipment.

Financial Position

	AS OF *(Amounts are in Thousand Pesos)*		
Statements of Financial Position Data	**Dec. 31, 2023**	Dec. 31, 2022 *(As Restated)*	Dec. 31, 2021 *(As Restated)*
Total Current Assets	₱1,454,026	₱1,212,640	₱861,866
Total Noncurrent Assets	5,347,619	5,164,228	5,172,380
Total Assets	6,801,645	6,376,868	6,034,246
Total Current Liabilities	2,229,440	2,077,590	1,864,392
Total Noncurrent Liabilities	974,460	1,093,589	1,213,356
Total Liabilities	3,203,900	3,171,179	3,077,748
Equity – Attributable to Equity Holders of Parent Co.	2,731,554	2,411,114	2,236,587
Equity – Non-controlling Interest	866,191	794,575	719,911
Total Stockholders' Equity	3,597,745	3,205,689	2,956,498

Statements of Financial Position Data	**VERTICAL ANALYSIS**			**HORIZONTAL ANALYSIS** *(Amounts are in Thousand Pesos)*					
	% to Total Assets			**Change from Prior Year**					
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	**2023 – 2022**	**%**	2022 – 2021	**%**	2021 – 2020	%
Total Current Assets	21%	19%	14%	241,385	20%	350,774	41%	90,152	12%
Total Noncurrent Assets	79%	81%	86%	183,392	4%	-8,152	-.16%	231,581	5%
Total Assets	100%	100%	100%	424,777	7%	342,622	6%	321,733	5%
Total Current Liabilities	33%	32%	30%	151,851	7%	213,198	11%	-25,279	-1%
Total Noncurrent Liabilities	14%	17%	20%	-119,130	-11%	-119,766	-10%	-153,315	-11%
Total Liabilities	47%	49%	50%	32,721	1%	93,432	3%	-178,594	-5%
Equity – Attributable to Equity Holders of Parent Co.	40%	38%	38%	320,440	13%	174,527	8%	421,477	22%
Equity – Non-controlling Interest	13%	13%	12%	71,616	9%	74,663	10%	78,850	12%
Total Stockholders' Equity	53%	51%	50%	392,056	12%	249,190	8%	500,327	19%

2023 compared with 2022

Total assets increased by 6.66% or ₱424,776,975 from ₱6,376,867,905 as of December 31, 2022 to ₱6,801,644,880 as of December 31, 2023.

The biggest contributor to the increase is the revaluation increment as of December 31, 2023. Fair value changes of the appraised properties increased by 11.17% or ₱173,845,427.

Cash and cash equivalents account increased by 56.68% or ₱107,700,927 during the year. This represents the net effect of collections received and payment of obligations as of December 31, 2023.

Trade and other receivables increased by 15.89% or ₱107,475,988 due to longer collection turnover from customers.

Due from related parties decreased by 13.06% from ₱144,114,700 as of December 31, 2022 to ₱125,296,439 as of December 31, 2023 due to collection of advances from affiliates.

Inventories amounting to ₱27,713,966 pertain to OPI's fuel and oil. Fuel consumption is lower than the delivered amount resulted to increase of 19.89% or ₱4,597,725 from last year's balance of ₱23,116,241.

Other current assets increased by 22.58% from ₱179,020,100 as of December 31, 2022 to ₱219,449,094 as of December 31, 2023. The increase mainly pertains to net effect of input VAT application as payment against output VAT, additional creditable withholding taxes received and advances made to suppliers.

Increase in Financial Assets at FVOCI amounting to ₱83,705,175 pertains to increase in valuation of investments. This also resulted to the increase in cumulative unrealized fair value changes on Financial Assets at FVOCI amounting to ₱83,705,175 in 2023.

Property, plant and equipment decreased by 1.91% or ₱66,797,733 due to the net effect of the depreciation and ongoing development and construction of CWWC's water supply systems construction projects.

Deferred tax assets amounting to ₱36,296,974 as of December 31, 2023 decreased by ₱908,626 or 2.44% due to tax effects of retirement benefits liability, allowance for impairment losses of receivables and NOLCO during the year.

Other noncurrent assets decreased by 15.54% or ₱6,452,641 during the year. This is mainly due to lower special bank deposit in 2023 which pertains to interest-bearing performance security in the form of a bank guarantee in relation to the lease agreement of CWWC with the LGU of Tabuk.

Total liabilities increased by 1.03% or ₱32,720,923 from ₱3,171,179,467 as of December 31, 2022 to ₱3,203,900,390 as of December 31, 2023.

Trade and other payables increased by 16.85% from ₱898,013,476 as of December 31, 2022 to ₱1,049,304,930 as of December 31, 2023. Much of this is attributed to net effect of CWWC's payment of obligation to contractors and billings received in relation to its construction projects.

Loans payable decreased by 19.59% or ₱317,492,481 as of December 31, 2023. This mainly represents payments made for loan facility with local banks intended for the construction of IMHPP and short-term loan payments made by CWWC and OPI. CWWC's loan intended for Phase 1 rehabilitation, expansion and improvements of its waterworks system has been fully paid in 2022.

Due to related parties decreased by 10.22% from ₱246,333,675 as of December 31, 2022 to ₱221,149,936 as of December 31, 2023 due to net effect of payments made to and advances received from affiliates for working capital purposes.

Dividends payable amounting to ₱173,329,136 as of December 31, 2023 pertains to minority interest's unpaid cash dividends declared by OPI and CWWC.

Income tax payable has decreased by 37.36% or ₱1,420,984 from ₱3,803,064 as of December 31, 2022 to ₱2,382,080 as of December 31, 2022. This is mainly due to the tax effect of bad debts written-off during the year.

Customers' deposits increased by 27.72% or ₱8,238,446 as of December 31, 2023 as additional water meter maintenance deposit is collected by CWC from its newly connected costumers and due to advanced rental collected from clients.

Retirement benefits liability decreased by 3.47% or ₱1,628,429 due to net effect of additional retirement benefit cost and remeasurement gain for the year 2023.

The deferred tax liabilities increased by 14.00% from ₱325,641,343 as of December 31, 2022 to ₱371,228,863 as of December 31, 2023 which mainly pertains to the tax effects of the fair value gain on investment properties during the year.

Total stockholders' equity increased by 12.23% or ₱392,056,052 from ₱3,205,688,438 as of December 31, 2022 to ₱3,597,744,490 as of December 31, 2023.

Equity attributable to equity holders of Parent Company increased by 13.29% and equity attributable to noncontrolling interests increased by 9.01% as of December 31, 2023. Increase in Equity attributable to equity holders of Parent Company is mainly due to net income reported during the year. Increase in equity attributable to noncontrolling interests is the result of the net effect of share in net income and other comprehensive income.

2022 compared with 2021

Total assets increased by 5.68% or ₱342,621,745 from ₱6,034,246,160 as of December 31, 2021 to ₱6,376,867,905 as of December 31, 2022.

The biggest contributor to the increase came from trade and other receivables amounting to ₱676,360,006 as of December 31, 2022. This is due to longer collection turnover from customers, particularly from National Power Corporation amounting to ₱199,697,105.

Cash and cash equivalents account increased by 39.00% or ₱53,321,682 during the year. This represents the net effect of collections received and payment of obligations as of December 31, 2022.

Due from related parties decreased by 5.05% from ₱151,778,061 as of December 31, 2021 to ₱144,114,700 as of December 31, 2022 due to collection of advances from affiliates.

Inventories amounting to ₱23,116,241 pertain to OPI's fuel and maintenance supplies. Fuel consumption is higher than the delivered amount resulted to decrease of 4.83% or ₱1,171,966 from last year's balance of ₱24,288,207.

Other current assets increased by 35.92% from ₱131,712,659 as of December 31, 2021 to ₱179,020,100 as of December 31, 2022. The increase mainly pertains to net effect of input VAT application as payment against output VAT, additional creditable withholding taxes received and advances made to suppliers.

Decrease in Financial Assets at FVOCI amounting to ₱498,627 pertains to decrease in valuation of investments. This also resulted to the decrease in Cumulative unrealized fair value changes on Financial Assets at FVOCI amounting to ₱498,627 in 2022.

Investment properties increased by 4.08% or ₱61,045,577 during the year. This mainly pertains to the net increase in fair value changes of the appraised properties.

Property, plant and equipment decreased by 2.10% or ₱75,072,901 due to the net effect of the depreciation and ongoing development and construction of CWWC's water supply systems construction projects. Also, OPI reduced the estimated useful lives of some of its power plant and equipment to conform to the remaining cooperation period of its PSA with ORMECO.

Deferred tax assets amounting to ₱37,205,600 as of December 31, 2022 increased by ₱1,617,431 or 4.54% due to tax effects of retirement benefits liability, allowance for impairment losses of receivables and NOLCO during the year.

Other noncurrent assets increased by 12.94% or ₱4,756,257 during the year. This is mainly due to additional reserve fund required by the creditor bank.

Total liabilities increased by 3.04% or ₱93,431,535 from ₱3,077,747,932 as of December 31, 2021 to ₱3,171,179,467 as of December 31, 2022.

Trade and other payables increased by 10.05% from ₱815,995,696 as of December 31, 2021 to ₱898,013,476 as of December 31, 2022. Much of this is attributed to net effect of CWWC's payment of obligation to contractors and billings received in relation to its construction projects. Also, due to late payments of NPC to OPI, OPI's payable to fuel supplier also increased as of 2022.

Loans payable decreased by 2.08% or ₱34,371,672 as of December 31, 2022. This mainly represents payments made for loan facility with local banks intended for the construction of IMHPP and short-term loan payments made by CWWC and OPI. CWWC's loan intended for Phase 1 rehabilitation, expansion and improvements of its waterworks system has been fully paid in 2022.

Due to related parties increased by 11.67% from ₱220,596,114 as of December 31, 2021 to ₱246,333,675 as of December 31, 2022 due to advances from affiliates for working capital purposes.

Income tax payable has increased by 35.53% or ₱997,007 from ₱2,806,057 as of December 31, 2021 to ₱3,803,064 as of December 31, 2022. This is mainly due to higher income tax due for the year.

Customers' deposits increased by 10.51% or ₱2,826,269 as of December 31, 2022 as additional water meter maintenance deposit is collected by CWC from its newly connected costumers and rental advances collected from clients.

Retirement benefits liability increased by 8.48% or ₱3,668,266 resulted from additional retirement benefit cost for the year 2022.

The deferred tax liabilities increased by 4.01% from ₱313,085,019 as of December 31, 2021 to ₱325,641,343 as of December 31, 2022 which mainly pertains to the tax effects of the fair value gain on investment properties during the year.

Total stockholders' equity increased by 8.43% or ₱249,190,210 from ₱2,956,498,228 as of December 31, 2021 to ₱3,205,688,438 as of December 31, 2022.

Equity attributable to equity holders of Parent Company increased by 7.80% and equity attributable to Noncontrolling interests increased by 10.37% as of December 31, 2022. Increase in Equity attributable to equity holders of Parent Company is mainly due to net income reported during the year. Increase in equity attributable to Noncontrolling interests is the result of the net effect of share in net income and other comprehensive income.

2021 compared with 2020

Total assets increased by 5.48% or ₱321,733,175 from ₱5,874,238,913 as of December 31, 2020 to ₱6,195,972,088 as of December 31, 2021.

The biggest contributor to the increase pertains to investment properties amounting to ₱1,495,611,273 as of December 31, 2021. It increased by 26.62% or ₱314,404,481 due to fair value changes of the appraised properties.

Cash and cash equivalents account decreased by 17.23% or ₱28,457,562 during the year. This represents the net effect of collections received and payment of obligations as of December 31, 2021.

Trade and other receivables increased by 23.20% or ₱78,586,933 due to longer collection turnover from customers brought about by COVID-19 pandemic.

Due from related parties decreased by 6.62% from ₱162,544,208 as of December 31, 2020 to ₱151,778,061 as of December 31, 2021 due to collection of advances to affiliates.

Inventories amounting to ₱24,288,207 pertain to OPI's fuel and oil. Fuel consumption is lesser than the delivered amount resulted to an increase of 15.51% or ₱3,260,973 from last year's balance of ₱21,027,234.

Other current assets increased by 56.46% from ₱84,184,655 as of December 31, 2020 to ₱131,712,659 as of December 31, 2021. The increase mainly pertains to net effect of input VAT application as payment against output VAT, additional creditable withholding taxes received and advances made to suppliers.

Increase in Financial Assets at FVOCI amounting to ₱23,118,348 pertains to increase in valuation of investments. This also resulted to the increase in Cumulative unrealized fair value changes on Financial Assets at FVOCI amounting to ₱23,118,348 in 2021.

Property, plant and equipment decreased by 2.77% or ₱106,358,852 due to the net effect of the depreciation and ongoing development and construction of CWWC's water supply systems construction projects. Also, OPI reduced the estimated useful lives of some of its power plant and equipment to conform to the remaining cooperation period of its PSA with ORMECO.

Deferred tax assets amounting to ₱35,588,169 as of December 31, 2021 increased by ₱2,254,140 or 6.76% due to tax effects of retirement benefits liability, allowance for impairment losses of receivables and NOLCO during the year.

Other noncurrent assets decreased by 4.76% or ₱1,837,143 during the year. This is mainly due to refund of deposits for the terminated lease contracts.

Total liabilities decreased by 5.43% or ₱178,594,150 from ₱3,287,522,758 as of December 31, 2020 to ₱3,108,928,608 as of December 31, 2021.

Trade and other payables decreased by 3.34% from ₱844,151,680 as of December 31, 2020 to ₱815,995,696 as of December 31, 2021. Much of this is attributed to CWWC's payment of obligation to contractors in relation to its construction projects.

Loans payable decreased by 10.12% or ₱186,391,046 as of December 31, 2021. This mainly represents payments made for loan facility with local banks intended for the construction of IMHPP and short-term loan payments made by CWWC and OPI. OPI's original loan intended for CDPP construction has been fully paid last May 5, 2021.

Due to related parties slightly decreased by 0.32% from ₱221,299,463 as of December 31, 2020 to ₱220,596,114 as of December 31, 2021 resulted from payment of advances to affiliates.

Income tax payable has decreased by 47.36% or ₱2,524,547 from ₱5,330,604 as of December 31, 2020 to ₱2,806,057 as of December 31, 2021. This is mainly due to lower income tax due for the year.

Customers' deposits increased by 13.60% or ₱3,219,848 as of December 31, 2021 as additional water meter maintenance deposit is collected by CWC from its newly connected costumers and rental advances collected from clients.

Retirement benefits liability decreased by 2.33% or ₱1,032,661 resulted from retirement of employees.

The deferred tax liabilities increased by 12.04% from ₱307,272,106 as of December 31, 2020 to ₱344,265,695 as of December 31, 2021 which mainly pertains to the tax effects of the fair value gain on investment properties during the year.

Total stockholders' equity increased by 19.34% or ₱500,327,325 from ₱2,586,716,155 as of December 31, 2020 to ₱3,087,043,480 as of December 31, 2021.

Equity attributable to equity holders of Parent Company increased by 21.97% and equity attributable to Noncontrolling interests increased by 11.80% as of December 31, 2021. Increase in Equity attributable to equity holders of Parent Company is mainly due to net income reported during the year. Increase in equity attributable to Noncontrolling interests is the result of the net effect of share in net income and other comprehensive income.

Financial Risk

Please refer to Notes 26 and 27 to the Consolidated Financial Statements for the description, classification and measurements applied for financial instruments and the financial risk management objectives and policies of the Group.

Key Performance Indicators

Amounts in PHP

			DECEMBER		
			2023	2022	2021
PROFITABILITY					
Return on Total Assets It measures efficiency of the Company in using its assets to generate net income.	**ROA=**	NI+{(interest exp x (1-tax rate)}	632,478,550	322,365,933	504,465,050
		Ave. Total Assets	6,589,256,393	6,205,557,033	5,954,242,537
			0.0959	0.0519	0.0847
Return on Equity It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.	**ROE=**	Annual Net Income	557,935,009	249,688,837	427,555,750
		Ave. Stockholders' Equity	3,401,716,464	3,081,093,333	2,771,607,192
			0.1640	0.0810	0.1543
Water Revenue per Subscriber Measures how well service and facilities improvements have influence consumer's usage	**WRS=**	Water Revenue	298,104,333	280,331,407	271,168,978
		Ave. No. of Water Subscribers	25,635	24,385	23,387
			11,629	11,496	11,595
FINANCIAL LEVERAGE					
Debt Ratio It is a solvency ratio and it measures the portion of the assets of a business which are financed through debt.	**Debt Ratio=**	Total Liabilities	3,203,900,390	3,171,179,467	3,077,747,932
		Total Assets	6,801,644,880	6,376,867,905	6,034,246,160
			0.4710	0.4973	0.5100
Debt to Equity Ratio It measures the degree to which the assets of the business are financed by the debts and the shareholders' equity of a business.	**Debt to Equity=**	Total Liabilities	3,203,900,390	3,171,179,467	3,077,747,932
		Shareholder's Equity	3,597,744,490	3,205,688,438	2,956,498,228
			0.8905	0.9892	1.0410
MARKET VALUATION					
Price to Book Ratio Relates the Company's stock to its book value per share	**PB ratio=**	Market value/share	8.96	6.11	5.45
		Book value/share	9.70	8.57	7.95
			0.9237	0.7130	0.6855

The reason for the improvement of the Group's profitability is discussed in the results of operations. From the point of view of its power and water business, which the Group considers to be its major growth drivers, growth is sustainable in the succeeding years as the Company already has in line the potential expansion and new service areas.

Following the positive developments in the local stock market, activity in the Company's stock has picked up recently and the prices have steady to reflect trends in the market.

Liquidity and Solvency

The Company's cash balance increased from end-2022 of ₱190,029,184 to ₱297,730,111 as of December 31, 2023.

Meanwhile, liability to equity ratios decreased from 0.99:1.00 to 0.89:1.00 as of end-2023. Ratio was maintained at this very low level.

Item 8. Financial Statements

Please refer to the attached consolidated financial statements audited by Reyes Tacandong & Co.

Item 9. Information on Independent Accountant and Other Related Matters

The current external auditor of the Company and its Subsidiaries is Reyes Tacandong & Company (RT&Co.). Mr. Wilson P. Teo is the engagement partner for the Group.

Pursuant to SEC Memorandum Circular No. 8, Series of 2003, where it states that changes should be made in assignment of External Auditor or rotation of the engagement partner every five (5) years and that, a two-year cooling off period in the re-engagement of the same signing partner shall be observed.

There have been no disagreements between the Company and RT&Co. over the length of their relationship with regard to any matter involving accounting principles or practices, financial statement disclosures, and auditing scope and procedures.

RT&Co. has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. RT&Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

In connection with the audit of the Company's financial statements, the Audit Committee had, among other activities, (a) evaluated significant issues reported by the external auditor in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (b) ensured that no other work is provided by the external auditor that would impair its independence and conflict with its function as independent accountants; and (c) ensured the compliance of the Company with acceptable auditing and accounting standards and regulations.

The Company paid RT&Co. an aggregate fees of ₱2,115,000 in 2023, ₱1,970,000 in 2022 and ₱1,825,000 in 2021. The services are those normally provided by the external auditor in connection with statutory and regulatory filings or engagements.

There had been no consulting or tax engagements with RT&Co.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 10. Directors and Executive Officers of the Issuer

Listed below are the Directors and Senior Officers of the Company as of December 31, 2023 with their qualifications and credentials:

Name	*Positions Held*	*Company/Organization*
JOLLY L. TING 78, Filipino Bachelor of Science in Business Administration, University of the East	**Present:** o Chairman (since March 21, 2011) o Chairman (since July 9, 2010) o Founder, Chairman, CEO (since April 3, 1999) o Chairman (since April 26, 2002) o Chairman (since April 26, 2002) o Chairman (since May 19, 2009) o Chairman (since July 19,1992) o Chairman (since April 7, 1990) o Chairman (since 1997) **Previous:** o Chairman, CEO (April 2010 to May 2018) o President (January 2009 to April 2010) o President (1991-1992) o Director, Treasurer (1994-1997) o Chairman (2002-2011)	 Ormin Power, Inc. Ormin Holdings Corporation Jolliville Holdings Corporation Jolliville Group Management, Inc. Ormina Realty & Development Corp. Servwell BPO International Inc. Jolliville Leisure and Resort Corporation Jollideal Marketing Corporation Calapan Waterworks Corporation Philippine H2O Ventures Corp. Philippine H2O Ventures Corp. Rotary Club University District, Manila Rotary Club University District, Manila Uptrend Concepts Management Corp.
NANETTE T. ONGCARRANCEJA 50, Filipino Fine Arts Advertising Studies, College of the Holy Spirit Advanced Courses, Columbia College Vancouver Community College Kwantlen University	**Present:** o Director (since April 19, 1999) o President, Director (since October 26, 2000) o Vice President (since April 5, 2008) o Director (since November 6, 2000) o Director (since August 17, 1999) o Director (since November 9, 2000) o President (since July 9, 2010) o Secretary, Treasurer (since January 6, 2005) o Chairman (May 2022 – present)	 Jolliville Holdings Corporation Jolliville Holdings Corporation Jolliville Group Management, Inc. Jollideal Marketing Corporation Jollideal Marketing Corporation Ormin Holdings Corporation Ormin Holdings Corporation Vitanutrition Incorporated Rural Bank of Roxas (Or. Min.) Inc.

	Previous: o President (Sept. 2004 – May 2018 o Secretary, Director (January 2009 – April 2010 o Vice President (July 2001 - September 2004) o Secretary, Treasurer (April 1999 – July 2001) o Asst. Secretary (March – April 1999) o Treasurer (November 6, 2000 – April 4, 2008) o Treasurer (August 2010) o Chairman (January 2013)	 Philippine H2O Ventures Corp. Calapan Ventures, Inc. Jolliville Holdings Corporation Jolliville Holdings Corporation Jolliville Holdings Corporation Jollideal Marketing Corporation Ormin Power, Inc. Rural Bank of Roxas (Or. Min.) Inc.
ORTRUD T. YAO 46, Filipino Honors, Bachelor of Commerce, Major in Finance, University of British Columbia	**Present:** o Asst. Secretary, Treasurer, CFO (since July 20, 2001) o Secretary, Treasurer, Director (since September 28, 2005) o Secretary, Treasurer (since July 9, 2010) o Director (since June 9, 2006) o Secretary, Director (since January 12, 2004 o President, Director (since March 30, 1999) o Secretary, Director (since March 26, 1999) o Secretary, Treasurer (since March 19, 2001) o Vice-President for Finance, Secretary (since August 2010) o President, Director (since January 6, 2005) **Previous:** o Director, Treasurer, CFO (January 2009 – May 2018) o Secretary (April 2010 – May 2018) o Chief Compliance Officer (2001 – 2017) o President (June 9, 2006 – July 8, 2010) o President (October 2012 – June 5, 2020)	 Jolliville Holdings Corporation Calapan Waterworks Corporation Ormin Holdings Corporation Ormin Holdings Corporation Kenly Resources, Inc. Oltru Holdings Corp. A-net Resources Corp. Granville Ventures, Inc. Ormin Power, Inc. Vitanutrition Incorporated Philippine H2O Ventures Corp. Philippine H2O Ventures Corp. Jolliville Holdings Corporation Ormin Holdings Corporation Rural Bank of Roxas (Or. Min.) Inc.
RODOLFO L. SEE 82, Filipino Bachelor of Science in Business Administration, Far Eastern University	**Present:** o Director (since August 18, 2004) o Chairman, President (since 1980) o Chairman, President (since 1974) o Owner (since 1982) **Previous:** o Director (January 2009 – May 2018)	 Jolliville Holdings Corporation Gold Prize Food Manufacturing Corp. Gold Medal Food Manufacturing Corp. International Food Snack Corp. (Exporter of locally produced dried fruit products) Philippine H2O Ventures Corp.

DEXTER E. QUINTANA 72, Filipino Masters in Business Administration, Graduate School of Business, University of the Philippines	**Present:** o Member (since 2015) o Member (since 2014) o President, Director (since 2015) o Director (since 2012) o Chairman, Board of Trustees (since 2011) o President (since 2008) o Independent Director (since 2008) o Member (since 2004) o Member (since 2000) o Member / Past President (since 1987) o Life Member / Past Director (since 1987)	 Management Association of the Phil. Regional Ambassador Club of Manila Makati Sports Club Eagle Ridge Hotel Corporation Bamboo Network of the Philippines Strategic Partners Alliance Inc. Jolliville Holdings Corporation Palms Country Club Club Punta Fuego Rotary Club University District, Market Central Financial Executives Institute of the Phil.
SERGIO ORTIZ-LUIS JR. 81, Filipino Bachelor of Science in Business Administration Master of Business Administration (Candidate) De La Salle University PhD Humanities hc Central Luzon State University PhD Business Technology hc Eulogio “Amang” Rodriguez Institute of Science and Technology	 o Director (since 2018) o Chairman of the Board (since 2018) o Chairman of the Board (since 2017) o Independent Director (since 2017) o Vice Chairman / Director (since 2016) o Director (since 2015) o President (since 2015) o Trustee / Treasurer (since 2015) o Chairman (since 2015) o Independent Director (since 2014) o Director / Past President (since 2013) o Honorary Chairman / Treasurer (since 2013) o Director (since 2012) o Director (since 2012) o Director (since 2012) o Chairman of the Board (since 2009) o Vice Chairman (since 2008) o Director (since 2008) o Honorary Chairman (since 2008) o Director (since 2008) o Director (since 2008) o Director (since 2008) o Director (since 2000) o Director (since 1997) o Founding Director (since 1995)	 Drug Abuse Resistance Education (DARE) Philippines Country Garden Agri-Tourism Dev’t. Inc. Manila Waterfront City SPC Power Corporation VC Securities Corp. LikeCash Asia & The Pacific Corporation Asia Pacific Chinese Media Inc. Human Resources Development Foundation National Center for Mediation Jolliville Holdings Corporation Philippine Foundation Inc. (Team Phil.) Philippine Chamber of Commerce & Industry Philippine Estate Corporation BA Securities International Chamber of Commerce of the Phil. Philippine International Airways Alliance Global, Inc. Waterfront Philippines, Inc. Integrated Concepts & Solutions Inc. The Wellex Group Acesite Hotel Philippines Inc. Forum Pacific, Inc. (FPI, Philippines) Lasaltech Academy Manila Exposition Complex, Inc. (World Trade Ctr.) GSI (Formerly Philippine Article Numbering Council)

	o President (since 1991) o Honorary Chairman / Past President (since 1991) o Member (since 1989) o Member / Past President (since 1988) o Director (since 1981) o Past Director (2014 – 2018)	Philippine Exporters Confederation Inc. Employers Confederation of the Philippines Philippine Jaycee Senate Rotary Club of Green Meadows Rural Bank of Baguio Philippine H2O Ventures Corp.
HERMINIO B. COLOMA JR. 70, Filipino Doctor of Philosophy Southeast Asian Inter-Disciplinary Development Institute, 2009 Master in Business Management Asian Institute of Management, 1978 Bachelor of Arts University of the Philippines, 1973	**Present:** o Executive Vice President (since September 2016) o Chairman (since 2019) **Previous:** o Secretary (July 2010 – June 2016) o Undersecretary (July 1998 – April 2000) o Head, Presidential Management Staff (December 1990 – July 1991) o Deputy Executive Secretary (December 1990 – July 1991) o Undersecretary (December 1989 – December 1990) o Undersecretary (September 1989 – November 1989) o President (1996 – 1998) o Associate Professor (June 1988 – August 2016) o Vice President (March 1974 – September 1978) o Director and Division President (2006 – 2008)	 Manila Bulletin Publishing Corporation People Management Association of the Philippines (PMAP) Foundation Presidential Communication Operations Office (PCOO), Office of the President of the Philippines Department of Transportation and Communications (DOTC) Office of the President of the Philippines Office of the President of the Philippines Department of Transportation and Communications (DOTC) Department of Agrarian Reform Pamantasan ng Makati Asian Institute of Management Far East Bank and Trust Company Transnational Diversified Group, Inc.

The Company's success and growth depends in no small measure to the continued service of its Founder, Chairman and Chief Executive Officer, Mr. Jolly Lim Ting. His vision and strategic plans have allowed the Company and the Group to grow to where it is now. While Mr. Ting continues to provide the strategic direction to the Group, he has put to work in the business his children as well as some professional managers to add depth to his management team.

Ms. Ortrud T. Yao and Ms. Nanette T. Ongcarranceja are siblings and are both children of Mr. Jolly L. Ting. There are no other family relationships involving directors and executive officers.

None of the members of the Board is involved in any legal proceeding, pending or otherwise, for the past 5 years and up to the date of this report.

Item 11. Executive Compensation

Compensation of directors and executive officers are carried in the books of parent company and operating subsidiaries.

a. Standard Arrangements. All the executive officers receive a fixed monthly remuneration and year-end bonus while the other directors, including the two (2) independent directors, receive a per diem of ₱8,000 per board/committee meeting.

b. Other Arrangements. The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as above stated.

SUMMARY COMPENSATION TABLE
Annual Compensation
(in PHP)

	(a)	(b)	(c)	(d)	(e)
	Name and Principal Position	Year	Salary	Bonus	Others
A	Jolly L. Ting, Chairman & Chief Executive Officer				
B	Nanette T. Ongcarranceja, President/Chief Operating Officer				
C	Ortrud T. Yao, Treasurer/Asst. Corp. Sec./Chief Finance Officer				
		2024*	11,541,599	895,100	74,464
		2023	10,991,999	852,476	70,918
		2022	10,468,570	811,882	67,541
		2021	10,468,570	811,882	67,541
E	All other officers and directors as a group unnamed	2024*	9,300,548	3,444,436	225,249
		2023	8,435,872	3,280,415	214,523
		2022	8,435,872	3,124,205	204,308
		2021	8,435,872	3,124,205	204,308

**estimated amounts*

During the last and ensuing year, there are no:

1. Employment contracts between the Company and the named directors and senior officers;
2. Compensatory Plan or Arrangement;
3. Outstanding Warrants or Options held by directors and officers or the prices of such adjusted or amended; and
4. Amounts paid for committee participation or special assignments.

Under the Company's By-Laws, the officers of the Company shall hold office for one year and until their successors are chosen and qualified in their stead. Any officer elected or appointed by the majority of the Board of Directors may be removed by the affirmative vote of the Board of Directors.

Item 12. Security Ownership of Certain Record and Beneficial Owners

The following table presents the record/beneficial owners who in person or as group own more than five percent (5%) of the issued and outstanding capital stock of the Company as of December 31, 2023.

Title of Class	*Name and Address of Record and relationship with Issuer*	*Beneficial Owner and relationship with record owner*	*Citizenship*	*Number of Shares*	*Percent of Record Owner*
Common	Elgeete Holdings, Inc. (4/F 20 Lansbergh Place, 170 Tomas Morato Ave., cor. Sct. Castor St., Quezon City)	Ting Family	Filipino	125,783,791	44.68
Common	PCD Nominee Corporation – Fil. (6764 Ayala Avenue, Legazpi Village, Makati City)	none	Filipino	60,078,117	21.34
Common	Myron Ventures, Corp.	none	Filipino	18,000,000	6.39

Elgeete Holdings, Inc. is a private holding company, substantially owned and controlled by members of the Ting Family. Mr. Jolly L. Ting, the single largest stockholder among the Ting Family in this Company, exercises the voting power over the shares.

PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Central Depository, Inc., a private company organized to implement an automated book entry system of handling securities transactions in the Philippines.

Myron Ventures Corp. is a domestic corporation duly registered with the SEC.

Item 13. Security Ownership of Management

The shares owned of record or beneficially by the directors and each of the named executive officers previously named are as follows:

Title of Class	*Name of Beneficial Owner*	*Amount and Nature of Beneficial Ownership*	*Citizenship*	*Percent of Class*
Common	Jolly L. Ting	959,999 (direct)	Filipino	0.34
Common	Jolly L. Ting	21,280,175 (indirect)	Filipino	7.56
Common	Rodolfo L. See	5,994,000 (direct)	Filipino	2.13
Common	Nanette T. Ongcarranceja	500,001 (direct)	Filipino	0.18
Common	Nanette T. Ongcarranceja	9,366,278 (indirect)	Filipino	3.33
Common	Ortrud T. Yao	1,000,001 (direct)	Filipino	0.36
Common	Ortrud T. Yao	9,181,491 (indirect)	Filipino	3.26
Common	Dexter E. Quintana	854,001 (direct)	Filipino	0.30
Common	Sergio R. Ortiz-Luis Jr.	1,000 (direct)	Filipino	-
Common	Herminio B. Coloma Jr.	1,000 (direct)	Filipino	-

As of December 31, 2023, directors and officers as a group hold a total of 49,137,946 shares equivalent to 17.45% of Jolliville Holdings Corporation's issued and outstanding capital stock.

Item 14. Certain Relationships and Related Transactions

The Company, in the regular course of trade or business, enters into transactions with affiliates/related companies principally consisting of management fees, leasing agreements and cash advances. Generally, management and leasing arrangements are renewed on an annual basis and are based on terms similar to those offered to non-related parties.

The Group has the following transaction with related parties:

a. Unsecured and non-interest bearing cash advances made to stockholders and affiliated for working capital purposes which are payable on demand and usually settled in cash; and

b. Unsecured and noninterest bearing cash advances from stockholders and affiliates for working capital purposes which are payable on demand and usually settled in cash.

For the past two years, there are no other transactions or proposed transactions being undertaken or to be undertaken by the Company in which any director or executive officer, or any member of their immediate family was or will be involved or had or will have a direct or indirect material interest.

There are no transactions with parties that, although not under the definition of a "related party" but with whom the Registrant or its related parties have a relationship, that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

There are no other relationships or transactions during the last two years or proposed transactions with related parties except for those cited above.

For other details on related party transactions, see Note 20 of the attached audited financial statements of the Company for the year ended December 31, 2023.

Item 15. Acquisition/Disposition of Property

On December 28, 2021, the BOD of JMC approved the issuance of 4,000 additional shares out of the unsubscribed shares of authorized capital stock. JOH solely subscribed to the additional share issuance and increased its shareholdings from 9,995 shares to 13,995 shares at ₱100 par value. JOH now owns 99.96% of JMC.

On June 30 2023, JOH sold a property in Malate, Manila.

PART IV – CORPORATE GOVERNANCE

Item 16. The Board of Directors and Management of Jolliville Holdings Corporation (the "Company" or the "Corporation") commit themselves to the principles and best practices contained in the Company's manual on corporate governance.

The Company believes that compliance with the principles of good corporate governance begins with the Board of Directors. It shall be the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which must be exercised in the best interest of the Corporation, its shareholders and other stakeholders. The Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

Among the Board's duties are to fix a process of selection to ensure a competent directors and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, to determine the Company's purposes, its vision and mission, and strategies to carry out its objectives, ensures compliance with all relevant laws, regulations and codes of best business practices, adopt a system of internal checks and balances, identify key risk areas and key performance indicators and monitor these factors with due diligence. It is also the Board's duties to formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions, to properly discharge Board functions by meeting regularly, constitute an audit, nomination, compensation and remuneration and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities

The Company also recognized code of business conduct and ethics to express the Corporation's commitment to full compliance of its existing business interests, shareholdings, personal activities, or relationships that may directly or indirectly conflict with the Corporation's customers, suppliers, competitors, and other third parties, to promote honest and ethical conduct and handling of apparent conflicts of interest between personal professional relationships, and to help foster a culture of honesty and accountability.

There has not been any deviation from the company's Manual of Corporate Governance.

The Company plans to continue adopting the SEC's and other reputable organization's recommendations for improved corporate governance.

PART V - EXHIBITS AND SCHEDULES

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

(a) Exhibits

The required information has already been discussed in Part I, Item I of this Report.

(b) Reports on SEC Form 17-C

Date	***Excerpts***
January 24, 2023	Response to PSE letter dated January 20, 2023 - Acceptance and request for reconsideration of imposed penalties
February 8, 2023	Delayed submission of structured reports, payment of uncontested penalty, and request for reconsideration
March 31, 2023	Secretary Certificate on the Top 100 Stockholders of JOH as of 31 March 2023
May 5, 2023	Notice of Annual Stockholder's Meeting for the year 2023
May 24, 2023	Extension of term of Mr. Sergio R. Ortiz-Luis Jr. as an Independent Director approved during the meeting of the Board of Directors on 24 May 2023
June 22, 2023	Results of the 2023 Annual Stockholders' Meeting
June 22, 2023	Results of the 2023 Organizational Meeting of the Board of Directors
June 30, 2023	Secretary Certificate in relation to JOH submission of the Top 100 Stockholders as of June 30, 2023
September 30, 2023	Secretary Certificate in relation to JOH submission of the Top 100 Stockholders as of September 30, 2023
December 31, 2023	Secretary Certificate in relation to JOH submission of the Top 100 Stockholders as of December 31, 2023

****

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Quezon City on March 21, 2024.

By:

Jolly L. Ting Chairman	Ortrud T. Yao Chief Finance Officer
Nanette T. Ongcarranceja President	Princess O. Montecir Principal Accounting Officer

SUBSCRIBED AND SWORN to before me this 08 day of APR 2024 20__ affiant(s) exhibiting to me their Residence Certificates, as follows:

NAMES	SSS NO.
Jolly L. Ting	03-1356713-3
Nanette T. Ongcarranceja	33-5903582-0
Ortrud T. Yao	33-6615680-9
Princess O. Montecir	04-1585199-6

DOC. NO. 263
PAGE NO. 54
BOOK NO. 84
SERIES OF 2024

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-16 / Until 12-31-25
Roll No. 45790 / IBP Lifetime No. 04897 / 07-03-03
PTR O.R. No. 10073910 / 01-02-2024 / Makati City
MCLE No. VII-0016370 /Issued 04-26-22
G/F Fedman Suites, 199 Salcedo St.
Legaspi Village, 1229 Makati City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

134800

COMPANY NAME

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

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

4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@joh.ph	(02) 8-373-3038	0966-854-4344

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
29	Month of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ortrud T. Yao	ortrud_ting@joh.ph	(02) 8-373-3038	0966-854-4344

CONTACT PERSON'S ADDRESS

4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City

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

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

JOLLIVILLE HOLDINGS CORPORATION

The Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Jolliville Holdings Corporation and Subsidiaries** (collectively referred to as "the Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2023, 2022 and 2021 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 consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Reyes Tacandong & Co., the independent auditors appointed by the stockholders, have audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audits.

JOLLY L. TING
Chairman
SSS No. 03-1356713-3

NANETTE T. ONGCARRANCEJA
President
SSS No. 33-5903582-0

ORTRUD T. YAO
Treasurer
SSS No. 33-6615680-9

Signed this 21st day of March 2024.

SUBSCRIBED AND SWORN to before me this 08 APR 2024 day of ____, 2024 in the city MAKATI CITY Philippines. Affiant exhibiting to their Community Tax Number as above stated.

Doc No. 244;
Page No. 50;
Book No. 54;
Series of 2024.

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-16 / Until 12-31-25
Roll No. 45790 / IBP Lifetime No. 04897 / 07-03-03
PTR O.R. No. 10073910 / 01-02-2024 / Makati City
MCLE No. VII-0016370 /Issued 04-26-22
G/F Fedman Suites, 199 Salcedo St.
Legaspi Village, 1229 Makati City

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
4/F 20 Lansbergh Place Bldg.
170 Tomas Morato Ave. cor. Scout Castor St.
Quezon City

Opinion

We have audited the accompanying consolidated financial statements of JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Notes 2, 11 and 30 to the consolidated financial statements concerning the Group's change in accounting policy on land and improvements, building and improvements, and power plant facilities and equipment under "Property, plant and equipment" from the revaluation model to the cost model. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Valuation of Investment Properties Measured at Fair Value

The fair value of the Group's investment properties amounted to ₱1,730.5 million, comprising 25% of the Group's consolidated assets as at December 31, 2023. The fair value gain on investment properties recognized in the consolidated statement of comprehensive income amounted to ₱204.3 million in 2023. The Group engaged the services of an independent firm of appraisers to determine the fair value of investment properties.

We considered the valuation of investment properties as a key audit matter because of its significance and the determination of the fair values and selection of appropriate valuation methodology thereof, involve significant judgment and estimation. Our audit procedures included, among others, an understanding of the valuation process of investment properties, evaluating the appraisal reports prepared by the independent firm of appraisers that support the fair value determination, and reviewing the underlying assumptions and calculation of the valuation adjustments. We also evaluated the professional qualifications and objectivity of the independent firm of appraisers. Additionally, we reviewed the appropriateness and reasonableness of management's assessment on the fair value of investment properties where no conditions had been identified for the fair value to significantly change. Moreover, we reviewed the adequacy of the related disclosures in Note 10 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 consolidated 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.

The engagement partner on the audit resulting in this independent auditors' report is Wilson P. Teo.

REYES TACANDONG & CO.

WILSON P. TEO
Partner
CPA Certificate No. 92765
Tax Identification No. 191-520-944-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-014-2023
Valid until January 24, 2026
PTR No. 10072414
Issued January 2, 2024, Makati City

March 21, 2024
Makati City, Metro Manila

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 30)	January 1, 2021 (As Restated - Note 30)
ASSETS				
Current Assets				
Cash and cash equivalents	4	**₱297,730,111**	₱190,029,184	₱136,707,502
Trade and other receivables	5	**783,835,994**	676,360,006	417,379,794
Due from related parties	20	**125,296,439**	144,114,700	151,778,061
Inventories	6	**27,713,966**	23,116,241	24,288,207
Other current assets	7	**219,449,094**	179,020,100	131,712,659
Total Current Assets		**1,454,025,604**	1,212,640,231	861,866,223
Noncurrent Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	8	**116,636,381**	32,931,206	33,429,833
Investment properties	10	**1,730,502,277**	1,556,656,850	1,495,611,273
Property, plant and equipment	11	**3,429,120,169**	3,495,917,902	3,570,990,803
Deferred tax assets	24	**36,296,974**	37,205,600	35,588,169
Other noncurrent assets	12	**35,063,475**	41,516,116	36,759,859
Total Noncurrent Assets		**5,347,619,276**	5,164,227,674	5,172,379,937
		₱6,801,644,880	₱6,376,867,905	₱6,034,246,160
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	13	**₱1,049,304,930**	₱898,013,476	₱815,995,696
Short-term loans	14	**554,596,880**	699,224,800	632,498,220
Current portion of long-term loans	14	**228,677,555**	230,214,780	192,495,812
Due to related parties	20	**221,149,936**	246,333,675	220,596,114
Dividends payable	15	**173,329,136**	–	–
Income tax payable		**2,382,080**	3,803,064	2,806,057
Total Current Liabilities		**2,229,440,517**	2,077,589,795	1,864,391,899
Noncurrent Liabilities				
Noncurrent portion of long-term loans	14	**519,967,059**	691,294,395	830,111,615
Customers' deposits	22	**37,959,262**	29,720,816	26,894,547
Retirement benefits liability	21	**45,304,689**	46,933,118	43,264,852
Deferred tax liabilities	24	**371,228,863**	325,641,343	313,085,019
Total Noncurrent Liabilities		**974,459,873**	1,093,589,672	1,213,356,033
Total Liabilities		**3,203,900,390**	3,171,179,467	3,077,747,932

(Forward)

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 30)	January 1, 2021 (As Restated - Note 30)
Equity				
Attributable to Equity Holders of the Parent Company				
Capital stock	15	**₱281,500,000**	₱281,500,000	₱281,500,000
Additional paid-in capital		**812,108**	812,108	812,108
Retained earnings	15	**2,167,001,592**	1,935,490,732	1,760,465,108
Other comprehensive income		**282,239,703**	193,310,524	193,809,151
Equity Attributable to Equity Holders of the Parent Company		**2,731,553,403**	2,411,113,364	2,236,586,367
Non-controlling Interests	15	**866,191,087**	794,575,074	719,911,861
Total Equity		**3,597,744,490**	3,205,688,438	2,956,498,228
		₱6,801,644,880	₱6,376,867,905	₱6,034,246,160

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2023**	2022 (As Restated - Note 30)	2021 (As Restated - Note 30)
REVENUE	16	**₱1,747,324,363**	₱1,448,011,713	₱1,278,636,449
DIRECT COSTS	17	**(1,063,498,871)**	(1,000,603,622)	(895,781,307)
GROSS INCOME		**683,825,492**	447,408,091	382,855,142
GENERAL AND ADMINISTRATIVE EXPENSES	18	**(173,234,031)**	(135,706,402)	(122,219,449)
FAIR VALUE GAIN ON INVESTMENT PROPERTIES	10	**204,293,682**	60,206,000	313,556,481
FINANCE COSTS	14	**(99,391,388)**	(96,902,794)	(102,545,733)
OTHER INCOME (CHARGES) - Net	19	**1,150,109**	(3,073,598)	(11,662,323)
INCOME BEFORE INCOME TAX		**616,643,864**	271,931,297	459,984,118
PROVISION FOR INCOME TAX	24			
Current		**13,866,849**	11,303,567	11,276,817
Deferred		**44,842,006**	10,938,893	21,151,551
		58,708,855	22,242,460	32,428,368
NET INCOME		**557,935,009**	249,688,837	427,555,750
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Gain (loss) on fair value changes of financial assets at FVOCI	8	**83,705,175**	(498,627)	23,118,348
Remeasurement gain on retirement benefits liability, net of tax	21	**5,224,004**	–	4,407,673
Effect of change in tax rate		**–**	–	(985,484)
		88,929,179	(498,627)	26,540,537
TOTAL COMPREHENSIVE INCOME		**₱646,864,188**	₱249,190,210	₱454,096,287

		Years Ended December 31		
	Note	**2023**	2022 (As Restated - Note 30)	2021 (As Restated - Note 30)
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱404,839,996**	₱175,025,624	₱365,064,218
Non-controlling interests		**153,095,013**	74,663,213	62,491,532
		₱557,935,009	₱249,688,837	₱427,555,750
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱493,769,175**	₱174,526,997	₱393,179,378
Non-controlling interests		**153,095,013**	74,663,213	60,916,909
		₱646,864,188	₱249,190,210	₱454,096,287
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	23	**₱1.4382**	₱0.6218	₱1.2969

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2023**	2022 (As Restated - Note 30)	2021 (As Restated - Note 30)
CAPITAL STOCK	15	**₱281,500,000**	₱281,500,000	₱281,500,000
ADDITIONAL PAID-IN CAPITAL		**812,108**	812,108	812,108
RETAINED EARNINGS				
Appropriated	15	**185,862,750**	185,862,750	185,862,750
Unappropriated				
Balance at beginning of year, as previously reported		**1,737,560,183**	1,570,909,507	1,208,576,886
Prior period adjustment	30	**12,067,799**	3,692,851	961,254
Balance at beginning of year, as restated		**1,749,627,982**	1,574,602,358	1,209,538,140
Net income		**404,839,996**	175,025,624	365,064,218
Dividend	15	**(173,329,136)**	–	–
Balance at end of year		**1,981,138,842**	1,749,627,982	1,574,602,358
		2,167,001,592	1,935,490,732	1,760,465,108
OTHER COMPREHENSIVE INCOME				
Revaluation Surplus – Net				
Balance at beginning of year, as previously reported		**265,688,339**	265,688,339	235,847,774
Prior period adjustment	30	**(107,109,831)**	(107,109,831)	(77,269,266)
Balance at end of year, as restated	10	**158,578,508**	158,578,508	158,578,508
Cumulative Unrealized Fair Value Changes on Financial Assets at FVOCI				
Balance at beginning of year		**17,931,369**	18,429,996	(4,688,352)
Fair value gain (loss)	8	**83,705,175**	(498,627)	23,118,348
Balance at end of year		**101,636,544**	17,931,369	18,429,996
Cumulative Remeasurement Gains on Retirement Benefits Liability – Net	21			
Balance at beginning of year		**16,800,647**	16,800,647	10,615,017
Remeasurement gain - net of tax effect		**5,224,004**	–	4,407,673
Effect of change in tax rate		**–**	–	1,777,957
Balance at end of year		**22,024,651**	16,800,647	16,800,647
		282,239,703	193,310,524	193,809,151
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**2,731,553,403**	2,411,113,364	2,236,586,367
NON-CONTROLLING INTERESTS	15			
Balance at beginning of year, as previously reported		**816,277,692**	747,040,133	668,189,972
Prior period adjustment	30	**(21,702,618)**	(27,128,272)	(9,195,020)
Balance at beginning of year, as restated		**794,575,074**	719,911,861	658,994,952
Share in total comprehensive income		**153,095,013**	74,663,213	60,916,909
Rescission of subscription agreement		**(48,479,000)**	–	–
Redemption of preferred shares		**(33,000,000)**	–	–
Balance at end of year		**866,191,087**	794,575,074	719,911,861
		₱3,597,744,490	₱3,205,688,438	₱2,956,498,228

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2023**	2022 (As Restated - Note 30)	2021 (As Restated - Note 30)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱616,643,864**	₱271,931,297	₱459,984,118
Adjustments for:				
Fair value gain on investment properties	10	**(204,293,682)**	(60,206,000)	(313,556,481)
Depreciation and amortization	11	**171,621,784**	178,621,925	189,067,193
Finance costs	14	**99,391,388**	96,902,794	102,545,733
Retirement benefits cost	21	**5,194,951**	5,957,303	5,274,773
Gain on sale of investment property	10	**(3,857,920)**	–	–
Interest income	19	**(1,091,595)**	(463,096)	(589,774)
Gain on sale of property, plant and equipment	11	**(103,393)**	(315,000)	(229,504)
Net unrealized foreign exchange gain	19	**(3,291)**	(16,708)	(5,378)
Provision for expected credit loss on trade receivables	5	**–**	2,102,173	–
Loss on retirement of furniture and fixtures	19	**–**	–	9,309,541
Operating income before working capital changes		**683,502,106**	494,514,688	451,800,221
Decrease (increase) in:				
Trade and other receivables		**(107,475,988)**	(261,082,385)	(78,586,933)
Inventories		**(4,597,725)**	1,172,802	(3,260,973)
Other assets		**(9,594,556)**	(31,266,018)	(21,465,432)
Increase (decrease) in:				
Trade and other payables		**69,812,454**	82,017,780	(28,155,984)
Customers' deposits		**8,238,446**	2,826,269	3,219,848
Net cash generated from operations		**639,884,737**	288,183,136	323,550,747
Income tax paid		**(39,614,866)**	(31,105,076)	(38,026,793)
Interest received		**1,091,595**	463,096	589,774
Retirement benefits paid	21	**–**	(2,289,037)	(201,884)
Net cash flows from operating activities		**601,361,466**	255,252,119	285,911,844
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	11	**(104,824,051)**	(103,553,627)	(35,270,280)
Investment properties	10	**(1,935,745)**	(839,577)	(848,000)
Proceeds from sale of:				
Investment properties	10	**36,241,920**	–	–
Property, plant and equipment	11	**103,393**	319,603	617,477
Collections from related parties	20	**28,471,420**	21,558,417	11,182,114
Advances to related parties	20	**(9,653,159)**	(13,895,056)	(415,967)
Net cash flows from investing activities		**(51,596,222)**	(96,410,240)	(24,734,656)

(Forward)

		Years Ended December 31		
	Note	**2023**	2022 (As Restated - Note 30)	2021 (As Restated - Note 30)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans	25	**(₱317,492,481)**	(₱324,563,722)	(₱224,391,046)
Interest	25	**(99,391,388)**	(96,902,794)	(102,545,733)
Due to related parties	20	**(25,183,739)**	(11,323,441)	(1,186,514)
Advances from related parties	20	**–**	37,061,002	483,165
Proceeds from loan availments	25	**–**	290,192,050	38,000,000
Net cash flows from financing activities		**(442,067,608)**	(105,536,905)	(289,640,128)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**3,291**	16,708	5,378
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**107,700,927**	53,321,682	(28,457,562)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**190,029,184**	136,707,502	165,165,064
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱297,730,111**	₱190,029,184	₱136,707,502

COMPONENTS OF CASH AND CASH EQUIVALENTS	4			
Cash on hand		**₱361,000**	₱301,000	₱301,000
Cash in banks		**290,807,579**	176,703,023	124,505,725
Cash equivalents		**6,561,532**	13,025,161	11,900,777
		₱297,730,111	₱190,029,184	₱136,707,502
NONCASH FINANCIAL INFORMATION				
Rescission of subscription agreement	15	**₱48,479,000**	–	–
Redemption of preferred shares	15	**33,000,000**	–	–
		₱81,479,000	₱–	₱–

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022
AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. **Corporate Information and Status of Operations**

General Information

Jolliville Holdings Corporation (the "Parent Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on September 3, 1986 primarily to acquire, invest in, hold, sell, exchange and generally deal in securities of every kind and description (without in any way acting as investment house, or securities dealer or broker), and to purchase, lease or otherwise acquire lands or interest in lands, and to build, construct or erect thereon buildings, factories, or other structures. The Parent Company's shares of stock are listed with the Philippine Stock Exchange (PSE).

On June 17, 2002, the Parent Company issued 281,500,000 shares at ₱1.09 per share in its initial public offering (see Note 15).

The registered address of the Parent Company is 4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City.

Subsidiaries

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries (collectively, the "Group") as at December 31, 2023, 2022 and 2021:

Subsidiaries	Direct	Indirect
Ormina Realty & Development Corp. (ORDC)	100.00	–
Jolliville Group Management, Inc. (JGMI)	100.00	–
Servwell BPO International (Servwell)	100.00	–
Jollideal Marketing Corporation (JMC)	100.00	–
Ormin Holdings Corporation (OHC) and Subsidiaries:	100.00	–
OTY Development Corp. (OTY)	–	100.00
Melan Properties Corp. (MPC)	–	100.00
KGT Ventures, Inc. (KGT)	–	100.00
NGTO Resources Corp. (NGTO)	–	100.00
Ibayo Island Resort Corp. (IIRC)	–	100.00
Philippine Hydro Electric Ventures, Inc. (PHEVI)	100.00	–
Ormin Power, Inc. (OPI)	–	59.95
2Big Philippines Inc. (2BIG) (*formerly Tubig Pilipinas Corp.*) and Subsidiaries:	88.50	11.50
Calapan Waterworks Corporation (CWWC)	–	99.75
Nation Water Corporation* (NWC)**	–	74.88
Tubig Bohol Corporation* (TBC)***	–	49.87
Greater Rosario Water, Inc. (GRWI)*	–	99.75

** Pre-operating companies*

*** Effective equity interest is through 2BIG and CWWC of 34.99% and 39.89%, respectively*

**** Although the Group's effective equity interest in TBC is less than 50%, TBC is considered as a subsidiary because the Group's voting power over TBC is sufficient to provide the practical ability to direct and control.*

The principal place of business and nature of business activities of the subsidiaries are as follows:

Subsidiary	Nature of Business	Principal Place of Business
ORDC	Leasing	Quezon City
JGMI	Management services	Quezon City
Servwell	Technical services	Quezon City
JMC	Holdings	Calapan City, Oriental Mindoro
OHC	Holdings	Quezon City
OTY	Realty	Quezon City
MPC	Realty	Quezon City
KGT	Realty	Quezon City
NGTO	Realty	Quezon City
IIRC	Realty	Quezon City
PHEVI	Power generation	Quezon City
OPI	Power generation	Calapan City, Oriental Mindoro
2BIG	Water utility	Quezon City
CWWC	Water utility	Calapan City, Oriental Mindoro
NWC	Water utility	Quezon City
TBC	Water utility	Quezon City
GRWI	Water utility	Quezon City

Approval of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the Board of Directors (BOD) on March 21, 2024, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

The material accounting policies used in the preparation of consolidated financial statements are consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRSs, Philippine Accounting Standards (PASs) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Bases of Measurement

The consolidated financial statements of the Group are presented in Philippine Peso (Peso), the Group's functional currency. All values are rounded to the nearest Peso, except when otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at financial assets at fair value through other comprehensive income (FVOCI) and investment properties, which are measured at fair value and retirement benefits liability which is measured at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

In 2023, the Group changed its accounting policy on land and improvements, building and improvements, and power plant facilities and equipment under “Property, plant and equipment” from revaluation model to cost model as this will provide reliable and more relevant information about the effects of transactions, other events or conditions on the Group’s financial position, financial performance or cash flows. The impact of the change in accounting policy, which was applied retrospectively, is summarized in Note 30.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses observable market data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes to consolidated financial statements:

- Note 3 – Significant Judgments, Estimates, and Assumptions
- Note 8 – Financial Assets at FVOCI
- Note 10 – Investment Properties
- Note 27 – Fair Value of Financial Assets and Liabilities

Adoption of Amendments to PFRSs

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRSs effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amendments to PFRSs did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amendments to PFRSs in Issue but Not Yet Effective or Adopted

Relevant amendments to PFRSs which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024 -

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRSs is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Subsidiaries are entities in which the Parent Company has control. The Parent Company controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Parent Company controls an entity. The Parent Company re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company.

Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The acquisition cost is measured as the sum of the considerations transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

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

When the business combination is achieved in stages, any previously held non-controlling interests is re-measured at the date of obtaining control and a gain or loss is recognized in profit or loss.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts and recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period ends at the date the Group receives the information about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable but should not exceed one year from the acquisition date.

Financial Assets and Liabilities

Recognition and Measurement

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

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

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

Classification
The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at December 31, 2023 and 2022, the Group does not have financial assets and liabilities at FVPL.

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

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

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

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

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

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

As at December 31, 2023 and 2022, the Group's cash and cash equivalents, trade and other receivables, due from related parties, deposits and short-term placement (presented as part of "Other current assets"), and other noncurrent assets are classified under this category.

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2023 and 2022, the Group designated its investments in unquoted shares as financial assets at FVOCI.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2023 and 2022, the Group's trade and other payables (excluding statutory payables), loans payable, due to related parties, dividends payable and customers' deposits are classified under this category.

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized OCI is removed from equity and adjusted against the fair value of the financial asset. The financial asset is measured at the reclassification day as if it had always been measured at amortized cost.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment
The Group records an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt instruments measured at amortized cost, the Group has applied the general approach and the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition

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

- the right to receive cash flows from the asset has expired;

- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

Offsetting

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

Inventories

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value (NRV).

Inventories are determined using weighted average method and include expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. The NRV of the inventories is the current replacement cost. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its NRV. The impairment loss is recognized immediately in profit or loss. The amount of any reversal of any write-down of inventories arising from an increase in NRV, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are consumed, the carrying amount is recognized as an expense in the period when the related revenue is recognized.

Investment in an Associate

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Under the equity method, the investment in an associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of an associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

The Group discontinues applying the equity method when their investment in associate is reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associate. When the associate subsequently reports net income, the Group will resume applying the equity method but only after its share in that net income equals the share in net losses not recognized during the period the equity method was suspended.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

Investment Properties

Investment properties are properties held either to earn rent income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year in which these arise.

The fair value of investment property is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as typical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale. The fair value of investment property should reflect market conditions at the end of the reporting year.

An investment property is derecognized when either this has been disposed of or when the investment property is permanently withdrawn from use and no further economic benefit is expected from its disposal. Gain or loss arising from the disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset, and is recognized in profit or loss.

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

Property, Plant and Equipment

In 2023, the Group changed its accounting policy on land and improvements, building and improvements, and power plant facilities and equipment from revaluation model to cost model as this will provide reliable and more relevant information about the effects of transactions, other events or conditions on the Group's financial position, financial performance or cash flows.

Property, plant and equipment, except construction in progress, are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property, plant and equipment have different useful lives, those are accounted for by separating items (major components) and depreciated separately.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property, plant and equipment:

Asset Type	Number of Years
Land and improvements	5 to 20
Building and improvements	10 to 40
Power plant facilities and equipment	3 to 40
Leasehold improvements	20 or term of lease, whichever is shorter
Furniture and fixtures	5 to 10
Water utilities and distribution system	5 to 40
Transportation equipment	5 to 8

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

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

Fully depreciated and amortized assets are retained in the accounts until these are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

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

Other Assets

Creditable Withholding Taxes (CWTs). CWTs represent the amounts withheld by the Group's customers in relation to its income. CWTs can be carried forward to the succeeding year when in excess of income tax payable and utilized as payment for income taxes provided that these are properly supported with certificates of creditable tax withheld at source. CWTs are stated at face amount less any impairment in value.

Input Value-added Tax (VAT). Revenue, expenses and assets are generally recognized net of the amount of VAT, except for receivables and payables. The amount of VAT recoverable from taxation authority is presented as "Input VAT" under "Other current assets" in the consolidated statements of financial position.

Advances to Suppliers. Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at the amount of cash paid and are recognized to the corresponding asset or expense account when the goods or services for which the advances were made are received.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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

The Group assesses goodwill for impairment annually and when circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill with indefinite useful lives by assessing the recoverable amount of the cash-generating units, to which the goodwill and other intangible assets with indefinite useful lives relates.

Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to these intangible assets cannot be reversed in future periods.

<u>Equity</u>

Capital Stock and Additional Paid-in Capital (APIC). Capital stock is measured at par value for all shares issued and paid. Excess of proceeds or fair value of the consideration received over par value is recognized as APIC.

Retained Earnings. Retained earnings pertain to cumulative balance of the Group's results of operations, net of any dividend declaration. Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders while appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

Other Comprehensive Income. Other comprehensive income pertains to the revaluation surplus, cumulative unrealized fair value changes on financial assets at FVOCI, and cumulative remeasurement gains on retirement benefits liability, net of deferred tax.

Revaluation surplus resulted from an increase in an asset's carrying amount as a result of an appraisal. A revaluation increase is recognized in other comprehensive income and accumulated in equity, net of deferred income tax liability, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of these assets is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Cumulative unrealized fair value changes on financial assets at FVOCI pertains to the accumulated fair value adjustments of the Group's financial assets at FVOCI. This is recognized in equity and is not reclassified to profit or loss in subsequent periods.

Cumulative remeasurement gains on retirement benefits liability pertains to the accumulated actuarial gains and losses on the Group's retirement benefits liability arising from experience adjustments and changes in financial assumptions. Remeasurements of retirement benefits liability, and the corresponding deferred tax component, are recognized immediately in other comprehensive income and are included in equity. These are not reclassified to profit or loss in subsequent periods.

<u>Income Recognition</u>

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and returns. The Group has concluded that it is the principal in all of its revenue arrangements.

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

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

- *Power Sales*. Revenue is recognized upon delivery of generated electricity.

- *Water Services*. Water services is recognized upon supply and distribution of water to the customers and when the related water services are rendered.

- *Technical Services*. Revenue is recognized when the performance of contractually agreed services has been rendered.

Income from Other Sources*.* Revenue from other sources is recognized as follows:

- *Rental Income*. Rental income is recognized on a straight-line basis over the lease term.

- *Interest Income.* Interest income is recognized as it accrues on a time proportion basis using the effective interest method, net of final tax.

- *Other Income*. Other income is recognized when earned.

Contract Balances

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

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

As at December 31, 2023 and 2022, the Group does not have outstanding contract assets.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays a consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. Contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced and payments in excess of revenue recognized based on percentage of completion.

As at December 31, 2023 and 2022, the Group does not have outstanding contract liabilities.

Cost to Obtain a Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. Otherwise, these are treated as expense.

Contract Fulfillment Asset. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

As at December 31, 2023 and 2022, the Group does not have contract fulfillment assets.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Direct Costs. Direct costs are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and are charged to profit or loss in the period when these are incurred.

Other Charges. Expenses from other sources are expensed as incurred.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16.

As a Lessee

At the commencement date of the lease, the Group recognizes a right-of-use (ROU) asset and a lease liability, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value assets (low-value assets), in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

As a Lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Rental income is recognized on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which these are earned.

Retirement Benefits

The retirement benefits cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit liability is performed by a qualified actuary.

The Group recognizes current service costs and interest expense on the retirement benefits liability in profit or loss. Interest expense is calculated by applying the discount rate to the retirement benefits liability at the beginning of the year, taking into account any changes in the defined liability during the period as a result of benefit payments.

Remeasurements of the retirement benefits liability, which pertains to actuarial gains and losses, are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement benefits liability is stated at present value determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

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

Borrowing Costs

Borrowing costs directly attributable to the construction of building are capitalized as part of the cost of the project. Capitalization of borrowing costs commences when activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. Borrowing costs consist of interest and other financing costs that the Group incurs in connection with the borrowing of funds. All other borrowing costs are expensed as incurred.

Income Taxes

Current Tax. Current tax liabilities for the current and prior years are measured at the amounts expected to be paid to the taxation authority. The tax rate and laws used to compute the amount are those that are enacted or substantively enacted as at financial reporting date.

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

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

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

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

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Party Relationships and Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

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

Related party transactions are considered material and/or significant if (i) these transactions amount to 10% or higher of the Group’s total assets or, (ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group’s total assets. Details of transactions entered into by the Group with related parties are reviewed by BOD in accordance with the Group's related party transactions policy.

Provisions

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

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingencies

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

Events after the Reporting Date

Events after the reporting date that provide additional information about the Group’s financial position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Earnings Per Share (EPS)
The Group presents basic and diluted EPS data for its common shares.

Basic EPS is calculated by dividing the net income attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is computed by adjusting the weighted average number of common shares outstanding, adjusted for the effects of any potentially dilutive, convertible securities.

The Parent Company has no potentially dilutive, convertible securities.

Operating Segments
For management purposes, the Group is organized into five major operating businesses which comprise the bases on which the Group reports its primary segment information. Financial information on business segments is presented in Note 28. The Group has no geographical segments as all the companies primarily operate only in the Philippines.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products and services. The measurement policies the Group used for segment reporting are the same as those used in the consolidated financial statements. There have been no changes from prior periods in the measurement methods used to determine profit and loss. No asymmetrical allocations have been applied between segments.

Inter-segment assets, liabilities, revenue, expenses and results are eliminated in the consolidated financial statements.

3. Significant Judgments, Accounting Estimates and Assumptions

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

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

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

Determining Control over an Investee Company. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an entity if and only if the Group has all of the following:

- Power over the entity;
- Exposure, or rights, to variable returns from its involvement with the entity; and,
- The ability to use its power over the entity to affect the amount of the Group's returns.

The Group regularly reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Parent Company determined that it exercises control on all of its subsidiaries as it has all the elements of control listed above.

The Parent Company's effective ownership interest in TBC through CWWC represents 49.87% only as at December 31, 2023 and 2022. However, TBC is considered as a subsidiary because the Parent Company's voting power over TBC is sufficient to provide the practical ability to direct and control TBC.

Classifying Lease Commitments - Group as a Lessor. The Group entered into an operating lease agreement to various lessees for the lease of its properties such as its land, commercial area condominium units and parking spaces with third parties. The Group has determined based on evaluation of the terms and conditions of the arrangements that it retains all the significant risks and rewards of ownership of the properties subject to lease, thus, the leases are accounted for as operating leases.

Rental income is disclosed in Note 16.

Determining the ROU Asset and Lease Liability. The Group leases its office spaces and water facilities for a period of one year and a parcel of land where the Diesel Power Plant is located for a period of 15 years. The previously mentioned leases were subject to renewal on an annual basis upon mutual consent between the parties.

The Group elected not to recognize ROU asset and lease liability for these lease agreements due to its short-term nature and the management has assessed that the resulting ROU asset and lease liability of the long-term lease are not material to the consolidated financial statements taken as a whole. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Rental expense is disclosed in Notes 17 and 18.

Classifying a Property. The Group determines whether a property is classified as investment property or property, plant and equipment:

- Investment properties consist of properties which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services and are expected to be used for more than one period. These are properties which are owner-occupied and are substantially for use of the Group or in the operations.

Properties classified as investment properties and property, plant and equipment are disclosed in Notes 10 and 11, respectively.

Determining the Reportable Operating Segments. The Group has determined that it has reportable segments based on the following thresholds:

- Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

- The absolute amount of its reported profit or loss is 10% or more, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.

- Its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

The Group's operating segment information are disclosed in Note 28.

Assessing the ECL on Trade and Other Receivables. The Group is applying the simplified approach in the computation of ECL and initially uses a provision matrix based on historical default rates for trade and other receivables. The provision matrix specifies provision rates depending on the number of days that a trade and other receivables are past due. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience. The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL on trade and other receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has assessed that the ECL on trade and other receivables is not material because substantial amount of the receivables was subsequently collected. Historically, customer balances are substantially collected within one year while none of the remaining balances is written off or credit impaired as at reporting date.

The carrying amount and recognized ECL on trade and other receivables are disclosed in Note 5.

Assessing the ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using the general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL. The information about the ECL of other financial assets at amortized cost is disclosed in Note 26.

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

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

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

No provision for ECL was recognized on the Group's cash and cash equivalents, due from related parties, deposits and short-term placements (presented as part of "Other current assets"), and other noncurrent assets because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and entities with good credit standing and relatively low risk of defaults.

The carrying amounts of these financial assets at amortized cost are disclosed in Notes 4, 7, 12 and 20.

Estimating the NRV of Inventories. The Group determines the NRV of inventories annually in accordance with the accounting policy stated in Note 2. In determining the NRV, the Group considers the current replacement cost. The Group writes down the carrying amount of the inventories when the NRV becomes lower than the carrying amount.

No provision for inventory loss was recognized on inventories in 2023, 2022 and 2021. The amount of inventories carried at the lower of cost and NRV is disclosed in Note 6.

Assessing the Fair Value of Financial Assets at FVOCI. The Group establishes the fair value of financial assets recorded in the consolidated statement of financial position based on the published fair value of units per share. If prices are not readily determinable or if liquidating the positions is reasonably expected to affect market prices, fair value is based on either internal valuation models or management's estimate of amounts that could be realized under current market conditions, assuming an orderly liquidation over a reasonable period of time. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The carrying amount of financial assets at FVOCI is disclosed in Note 8.

Estimating the Fair Value of Investment Properties. The fair value of investment properties is derived from the current market prices of comparable properties, with adjustments to reflect any changes in economic conditions since the date of those transactions. The fair value is determined based on the approaches and assumptions as disclosed in Note 10.

As at December 31, 2023 and 2022, management has assessed that there are no significant differences between the fair value and the carrying amount of certain investment properties. The carrying amounts of the Group's investment properties are disclosed in Note 10.

Estimating the Useful Lives of Property, Plant and Equipment. The useful lives of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property and equipment is also based on a collective assessment of industry practices, internal technical valuation and experience with similar assets. The estimated useful life is reviewed and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, or legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in these factors and circumstances.

There were no changes in the estimated useful lives of property, plant and equipment in 2023, 2022 and 2021. The carrying amount of property, plant and equipment are disclosed in Note 11.

Assessing the Impairment of Nonfinancial Assets. An impairment review is performed when certain impairment indicators are present. Determining the value in use of investments in subsidiaries and associate, property and equipment, and other current assets requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. The preparation of estimated future cash flows involves significant judgment and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future impairment charges. Any resulting impairment loss could have a material adverse impact on the Group's financial position and performance.

No impairment loss was recognized for other current assets (excluding deposits and short-term placement), investment in an associate, investment properties and property, plant and equipment in 2023, 2022 and 2021.

The carrying amounts of the Group's nonfinancial assets are disclosed in Notes 7, 9, 10 and 11.

Determining the Retirement Benefits Liability. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 21 to the consolidated financial statements and include, among others, discount rates and salary increase rates.

Information relating to the retirement benefits liability are disclosed in Note 21.

Evaluating the Legal Contingencies. The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting year, net of any estimated amount that may be reimbursed to the Group. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

On June 8, 2020, OPI received an Order from the Energy Regulatory Commission (ERC) approving the final rates for calculating its electricity fee. The ERC directed OPI and Oriental Mindoro Electric Cooperative, Inc. (ORMECO) to file refund and recovery schemes based on the approved rates. OPI complied and filed the same to the ERC within the 30-day prescribed period. Subsequently, National Power Corporation (NPC) filed a Motion and Manifestation with the ERC for clarifications on matters including but not limited to indexation of fees and recovery period while ORMECO filed its Compliance Ad Cautelam with Notice of Entry of Appearance providing for its own computation, adjustment and proposals for refund schemes. Details of these claims are disclosed in Note 29.

As at March 21, 2024, the ERC has not commented on, clarified nor approved the proposed refund and recovery scheme. The management believes that since the amount to be refunded and/or recovered depends on several variables that are yet to be clarified and confirmed by the ERC, accordingly, no asset or liability has been recognized as at December 31, 2023 and 2022.

The Group is also involved in various claims that are normal, incidental or related to its activities. Detailed information is not disclosed so as not to prejudice the outcome of these claims.

No provision was recognized in 2023, 2022 and 2021.

Assessing the Recognition of Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax asset is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's future expectations on revenue and expenses.

Information relating to the deferred tax assets as at December 31, 2023 and 2022 are disclosed in Note 24.

4. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	**₱361,000**	₱301,000
Cash in banks	**290,807,579**	176,703,023
Cash equivalents	**6,561,532**	13,025,161
	₱297,730,111	₱190,029,184

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

Cash equivalents are short-term deposits made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest ranging from 1.25% to 6% for 2023 and 0.63% to 2.63% for 2022 and 2021.

Interest income from cash in banks and cash equivalents is disclosed in Note 19.

5. Trade and Other Receivables

This account consists of:

	2023	2022
Trade	**₱767,669,791**	₱666,334,024
Receivable from local government unit (LGU)	**10,149,193**	10,149,193
Others	**10,130,192**	9,086,891
	787,949,176	685,570,108
Less allowance for ECL	**4,113,182**	9,210,102
	₱783,835,994	₱676,360,006

Trade receivables are noninterest-bearing and due within 30 to 90 days. Trade receivables amounting to ₱254.4 million and ₱163.6 million as at December 31, 2023 and 2022, respectively, were used to secure a loan from a local bank (see Note 14).

Receivable from LGU pertains to installation and rehabilitation of water facilities in Tabuk. These are unsecured, noninterest-bearing and due and collectible upon demand (see Note 22).

Movements in the allowance for ECL are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱9,210,102**	₱9,047,429
Write-off		**(5,096,920)**	(1,939,500)
Provision for ECL	18	**–**	2,102,173
		₱4,113,182	₱9,210,102

6. Inventories

This account consists of:

	2023	2022
At cost:		
Fuel	**₱22,527,915**	₱17,930,190
Maintenance supplies	**5,186,051**	5,186,051
	₱27,713,966	₱23,116,241

Costs of inventories charged to operations are disclosed in Note 17.

7. Other Current Assets

This account consists of:

	2023	2022
CWTs	**₱102,770,211**	₱78,451,516
Input VAT	**85,423,363**	74,925,898
Advances to suppliers	**13,120,259**	17,779,575
Short-term placement	**8,667,426**	100,434
Prepayments	**4,242,949**	3,538,542
Advances to officers and employees	**1,330,823**	520,262
Deposits	**111,000**	111,000
Others	**3,783,063**	3,592,873
	₱219,449,094	₱179,020,100

8. Financial Assets at FVOCI

This account pertains to investments in shares of stock of Jolliville Leisure & Resort Corporation (JLRC) and Granville Ventures Inc. (GVI). The Group's equity interest in JLRC and GVI represent only 15.11% and 18.18%, respectively.

Movements in this account are as follows:

	2023	2022
Cost		
Balance at beginning and end of year	**₱15,000,000**	₱15,000,000
Cumulative Unrealized Fair Value Changes		
Balance at beginning of year	**17,931,206**	18,429,833
Fair value changes	**83,705,175**	(498,627)
Balance at end of year	**101,636,381**	17,931,206
Carrying Amount	**₱116,636,381**	₱32,931,206

The fair value of investments in shares of stock of JLRC and GVI is determined using the net asset method (Level 3).

Significant increase (decrease) in the net asset value would result in a significantly lower (higher) fair value measurement.

9. Investment in an Associate

Movements of the Group's investment in an associate are as follows:

	2023	2022
Cost		
Balance at beginning and end of year	**₱4,800,000**	₱4,800,000
Accumulated Share in Net Loss		
Balance at beginning and end of year	**(4,800,000)**	(4,800,000)
Carrying Amount	**₱–**	₱–

The investment in an associate pertains to the Group's investment in Metro Agoo Waterworks Inc., representing 47.41% and 47.52% ownership interest as at December 31, 2023 and 2022, respectively.

Cumulative unrecognized share in net loss of an associate amounted to ₱6.1 million and ₱5.1 million as at December 31, 2023 and 2022, respectively.

The summarized financial information of the associate are as follows:

	2023	2022
Current assets	**₱21,690,313**	₱25,729,860
Noncurrent assets	**331,600,481**	348,991,815
Current liabilities	**100,078,026**	107,721,594
Noncurrent liabilities	**171,467,261**	183,078,740
Equity	**81,745,507**	83,921,341
Revenue	**69,462,629**	65,148,484
Net loss/Total comprehensive loss	**(2,175,834)**	(1,907,701)

10. **Investment Properties**

Movements in this account are as follows:

	2023		
	Land	**Buildings and Condominium Units**	**Total**
Cost			
Balance at beginning of year	**₱193,865,552**	**₱215,704,990**	**₱409,570,542**
Additions	**1,935,745**	**–**	**1,935,745**
Disposal	**(3,500,000)**	**–**	**(3,500,000)**
Balance at end of year	**192,301,297**	**215,704,990**	**408,006,287**
Fair Value Changes			
Balance at beginning of year	**1,000,454,525**	**146,631,783**	**1,147,086,308**
Fair value gain	**204,293,682**	**–**	**204,293,682**
Disposal	**(28,884,000)**	**–**	**(28,884,000)**
Balance at end of year	**1,175,864,207**	**146,631,783**	**1,322,495,990**
Carrying Amount	**₱1,368,165,504**	**₱362,336,773**	**₱1,730,502,277**

	2022		
	Land	Buildings and Condominium Units	Total
Cost			
Balance at beginning of year	₱193,025,975	₱215,704,990	₱408,730,965
Acquisitions	839,577	–	839,577
Balance at end of year	193,865,552	215,704,990	409,570,542
Fair Value Changes			
Balance at beginning of year	945,208,525	141,671,783	1,086,880,308
Fair value gain	55,246,000	4,960,000	60,206,000
Balance at end of year	1,000,454,525	146,631,783	1,147,086,308
Carrying Amount	₱1,194,320,077	₱362,336,773	₱1,556,656,850

The Group's investment properties are appraised by an independent firm of appraisers with the latest appraisal reports dated March 11, 2024. For investment properties where no conditions had been identified for the fair value to significantly change, management assessed that the fair value of these investment properties approximate the appraisal value of the latest appraisal reports available.

The fair values were estimated using the following approaches and assumptions:

Land. Fair value is categorized under Level 2 using the comparable market approach that reflects the recent transaction prices for similar properties in nearby locations. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value.

Buildings and Condominium Units. The fair value of the condominium units is categorized under Level 2 hierarchy. Sales comparison approach was used in arriving at the value of the subject condominium units wherein the appraised value was based on sales and listings of comparable condominium units. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at different floor levels of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element. The fair value of buildings is categorized under Level 3 using the cost approach wherein the appraised value was based on the current cost of constructing an equivalent new structure less depreciation adjustments. Significant increase (decrease) in the estimated construction costs and any adjustments would result in a significantly lower (higher) fair value.

The Group reclassified previously company-occupied properties to investment properties carried at fair value in 2004 and 2005. Revaluation surplus recognized before reclassification to investment properties aggregated ₱158.6 million as at December 31, 2023 and 2022, which shall be retained in other comprehensive income and will be transferred to retained earnings upon disposal of the related investment properties.

In 2023, the Group sold a land property with a fair value of ₱32.4 million for a total consideration of ₱36.2 million. The resulting gain amounting to ₱3.9 million is presented as part of "Other income (charges) - net" in the consolidated statements of comprehensive income (see Note 19).

Rental income generated from investment properties is disclosed in Note 16.

Related direct costs and expenses amounted to ₱4.7 million, ₱5.2 million and ₱4.6 million in 2023, 2022 and 2021, respectively.

11. **Property, Plant and Equipment**

In 2023, the Group changed its accounting policy on land and improvements, building and improvements, and power plant facilities and equipment from revaluation model to cost model as this will provide reliable and more relevant information about the effects of transactions, other events or conditions on the Group's financial position, financial performance or cash flows. The impact of the change in accounting policy is disclosed in Note 30.

The composition and movements of property, plant and equipment are as follows:

	2023							
	Land and Improvements	**Building and Improvements**	**Power Plant Facilities and Equipment**	**Furniture and Fixtures**	**Water Utilities and Distribution System**	**Transportation Equipment**	**Construction-in-Progress**	**Total**
Cost								
Balance at beginning of year	**₱41,300,969**	**₱103,116,467**	**₱3,268,123,843**	**₱272,768,649**	**₱669,199,581**	**₱77,344,683**	**₱256,010,846**	**₱4,687,865,038**
Additions	**–**	**215,000**	**27,015,696**	**9,119,953**	**–**	**814,900**	**67,658,502**	**104,824,051**
Disposals	**–**	**–**	**–**	**–**	**–**	**(5,283,810)**	**–**	**(5,283,810)**
Balance at end of year	**41,300,969**	**103,331,467**	**3,295,139,539**	**281,888,602**	**669,199,581**	**72,875,773**	**323,669,348**	**4,787,405,279**
Accumulated Depreciation and Amortization								
Balance at beginning of year	**511,413**	**40,414,103**	**522,357,527**	**237,989,038**	**318,145,585**	**72,529,470**	**–**	**1,191,947,136**
Depreciation and amortization	**–**	**6,179,405**	**128,858,785**	**6,863,291**	**27,619,455**	**2,100,848**	**–**	**171,621,784**
Disposals	**–**	**–**	**–**	**–**	**–**	**(5,283,810)**	**–**	**(5,283,810)**
Balance at end of year	**511,413**	**46,593,508**	**651,216,312**	**244,852,329**	**345,765,040**	**69,346,508**	**–**	**1,358,285,110**
Carrying Amount	**₱40,789,556**	**₱56,737,959**	**₱2,643,923,227**	**₱37,036,273**	**₱323,434,541**	**₱3,529,265**	**₱323,669,348**	**₱3,429,120,169**

	2022 (As restated - see Note 30)							
	Land and Improvements	**Building and Improvements**	**Power Plant Facilities and Equipment**	**Furniture and Fixtures**	**Water Utilities and Distribution System**	**Transportation Equipment**	**Construction-in-Progress**	**Total**
Cost								
Balance at beginning of year, as previously reported	₱66,593,300	₱159,907,604	₱3,342,514,129	₱265,031,721	₱669,141,917	₱78,025,399	₱181,403,285	₱4,762,617,355
Prior period adjustment	(25,292,331)	(57,006,137)	(93,790,090)	–	–	–	–	(176,088,558)
Balance at beginning of year, as restated	41,300,969	102,901,467	3,248,724,039	265,031,721	669,141,917	78,025,399	181,403,285	4,586,528,797
Additions	–	215,000	19,399,804	7,766,455	57,664	1,507,143	74,607,561	103,553,627
Disposals	–	–	–	(29,527)	–	(2,187,859)	–	(2,217,386)
Balance at end of year	41,300,969	103,116,467	3,268,123,843	272,768,649	669,199,581	77,344,683	256,010,846	4,687,865,038
Accumulated Depreciation and Amortization								
Balance at beginning of year, as previously reported	1,393,463	35,973,023	412,140,297	225,389,119	286,294,135	68,710,587	–	1,029,900,624
Prior period adjustment	(882,050)	(3,414,537)	(10,066,043)	–	–	–	–	(14,362,630)
Balance at beginning of year, as restated	511,413	32,558,486	402,074,254	225,389,119	286,294,135	68,710,587	–	1,015,537,994
Depreciation and amortization	–	7,855,617	120,283,273	12,624,843	31,851,450	6,006,742	–	178,621,925
Disposals	–	–	–	(24,924)	–	(2,187,859)	–	(2,212,783)
Balance at end of year	511,413	40,414,103	522,357,527	237,989,038	318,145,585	72,529,470	–	1,191,947,136
Carrying Amount	₱40,789,556	₱62,702,364	₱2,745,766,316	₱34,779,611	₱351,053,996	₱4,815,213	₱256,010,846	₱3,495,917,902

The cost of fully depreciated property, plant and equipment still being used in the Group's operations amounted to ₱305.7 million as at December 31, 2023 and 2022, respectively.

The Group sold certain property, plant and equipment with details as follows:

	Note	**2023**	2022	2021
Proceeds from sale		**₱103,393**	₱319,603	₱617,477
Carrying value of assets sold		**–**	4,603	387,973
Gain on sale	19	**₱103,393**	₱315,000	₱229,504

No borrowing costs were capitalized in 2023, 2022 and 2021. Cumulative borrowing costs capitalized amounted to ₱272.8 million as at December 31, 2023 and 2022.

Property, plant and equipment with carrying amount of ₱2,697.8 million and ₱2,799.4 million as at December 31, 2023 and 2022, respectively, are pledged as securities for bank loans obtained by the Group (see Note 14). There are no contractual commitments to purchase property, plant and equipment.

Depreciation and amortization are summarized as follows:

	Note	**2023**	2022 (As restated - see Note 30)	2021 (As restated - see Note 30)
Direct costs	17	**₱163,675,367**	₱166,759,143	₱173,893,446
General and administrative expenses	18	**7,946,417**	11,862,782	15,173,747
		₱171,621,784	₱178,621,925	₱189,067,193

12. Other Noncurrent Assets

This account consists of:

	Note	**2023**	2022
Reserve fund	14	**₱28,499,419**	₱30,402,699
Utilities and other deposits		**4,713,697**	4,763,058
Special bank deposit	22	**4,500,000**	9,000,000
		37,713,116	44,165,757
Less allowance for ECL		**2,649,641**	2,649,641
		₱35,063,475	₱41,516,116

Reserve fund pertains to a hold-out requirement of the local bank creditor of the Group as security for its long-term loans payable.

Utilities and other deposits pertain to rental deposits which will be refunded upon termination of the related lease contract.

Special bank deposit pertains to interest-bearing performance security in the form of a bank guarantee in relation to the lease agreement of CWWC with the LGU of Tabuk. Interest income earned is disclosed in Note 19.

13. Trade and Other Payables

This account consists of:

	Note	2023	2022
Trade:			
Third parties		**₱382,776,586**	₱261,508,442
Related parties	20	**286,381,478**	260,447,513
Retention payables:			
Related parties	20	**227,254,334**	227,254,334
Third parties		**4,650,000**	4,650,000
Accrued expenses:			
Third parties		**72,250,225**	83,568,388
Related parties	20	**23,708,658**	12,670,805
Statutory payables		**49,690,182**	39,350,616
Security deposits	22	**1,554,687**	6,779,500
Others		**1,038,780**	1,783,878
		₱1,049,304,930	₱898,013,476

Trade payables are noninterest-bearing and are generally settled within 15 to 60 days.

Retention payables pertain to the construction projects and will be paid one year after completion.

Accrued expenses include accrual for rental and other expenses which are generally paid in the subsequent month.

Statutory payables include amounts payable to government agencies that are normally settled in the following month.

Security deposits are refundable deposits made by customers for the lease of the Group's properties and to be returned at the end or termination of the contract.

14. Loans Payable

Details of this account are as follows:

	Interest Rate	2023	2022
Short-term loans	3.1% - 7.0%	**₱554,596,880**	₱699,224,800
Long-term loans:	6.0% - 14.0%		
Current portion		**228,677,555**	230,214,780
Noncurrent portion		**519,967,059**	691,294,395
		₱1,303,241,494	₱1,620,733,975

Short-term Loans

Short-term loans are unsecured loans with maturity of thirty (30) to one-hundred eighty (180) days from availment date with monthly interest payments, subject to renewal and re-pricing. Short-term loans are availed from local banks and for working capital purposes.

Long-term Loans

Long-term loans obtained from local banks are summarized as follows:

Term	Interest Rate	Maturity	2023	2022
10 years	6.0% - 7.8%	Up to 2026	**₱747,542,123**	₱920,669,466
5 years	9.2% - 14.0%	Up to 2024	**1,102,491**	839,709
			₱748,644,614	₱921,509,175

Part of the 10-year loans requires the Group to maintain debt to equity ratio of 65:35, current ratio of 1.02:1, and debt-service coverage ratio of 1.0:1. These covenants became effective in 2021, two years from the date of commercial operations of OPI's power plant.

In 2021, the local bank relaxed certain terms of the loan agreement. New agreed terms removed the current ratio requirement and updated its debt-to-equity ratio requirement to 80:20 while the debt-service coverage ratio was retained at 1.0:1. The Group is compliant with the ratio requirements as at December 31, 2023 and 2022.

The carrying amounts of the assets used as collateral for the long-term loans are as follows:

Asset Type	Note	2023	2022
Property, plant and equipment	11	**₱2,697,773,147**	₱2,799,422,221
Trade receivables	5	**254,404,406**	163,619,032
Reserve fund	12	**28,499,419**	30,402,699
		₱2,980,676,972	₱2,993,443,952

The schedule of maturity of the long-term loans is as follows:

	2023	2022
Within one year	**₱228,677,555**	₱230,214,780
Beyond one year but not later than five years	**519,967,059**	691,294,395
	₱748,644,614	₱921,509,175

Interest expense incurred and charged to profit or loss amounted to ₱99.4 million, ₱96.9 million and ₱102.5 million in 2023, 2022 and 2021, respectively.

15. Equity

Capital Stock

Details of the Parent Company's common shares with par value of ₱1.00 per share as at December 31, 2023 and 2022 are as follows:

	Shares	Amount
Authorized	1,000,000,000	₱1,000,000,000
Issued and Outstanding	281,500,000	₱281,500,000

On June 17, 2002, the Parent Company issued 281,500,000 shares at ₱1.09 in its initial public offering.

The Parent Company has 29 stockholders as at December 31, 2023 and 2022, including the PCD Nominee Corporation.

Appropriation of Retained Earnings for Property Dividends

In December 2018, the Parent Company's BOD approved the appropriation of ₱185.9 million of its retained earnings as at December 31, 2018 for property dividends.

The BOD, in its special meeting held on January 4, 2019, approved the declaration of 66.03% property dividends comprising of 42,225,000 common shares of 2BIG carried at ₱2.59 per share and 76,500,000 common shares of PHEVI carried at ₱1.00 per share, or for a total amount of ₱185.9 million. The amount per share is computed based on the interim financial statements of both subsidiaries as at and for the period ended September 30, 2018. The stockholders are entitled to receive 27 shares of PHEVI and 15 shares of 2BIG for every 100 Parent Company shares held by the stockholders. Fractional shares shall be converted into cash and be released at the same time as the property dividend.

On June 18, 2021, the BOD, in a special meeting, amended and re-set the record date for stockholders entitled to property dividend to August 27, 2021, subject to approval of the SEC. The number of shares to be distributed remains to be 76,500,000 common of shares of PHEVI at ₱0.99 per share and 42,225,000 shares of 2BIG at ₱2.69 per shares, the values per share are now based on the audited financial statements of both subsidiaries as at December 31, 2020.

On February 28, 2022, the SEC approved the reduction in par value of PHEVI's shares from ₱1.00 per share to ₱0.10 per share.

On September 20, 2022, the SEC commented that the property dividends should be valued at acquisition cost of the common shares of PHEVI and 2BIG which aggregated ₱150.6 million.

As at March 21, 2024, the declaration of property dividends is still pending approval by the SEC.

Dividends Declaration

On September 21, 2023, OPI declared cash dividends for the period October 1, 2018 to December 28, 2023 in favor of its preferred shareholders. The related dividends payable amounting to ₱172.9 million are still outstanding as at December 31, 2023.

On December 11, 2023, CWWC declared cash dividends to all shareholders of record as of December 31, 2023, to be paid on March 1, 2024. The related dividends payable amounting to ₱0.4 million are still outstanding as at December 31, 2023.

Non-controlling Interests

The Group's non-controlling interests represent the non-controlling shareholders in OPI, NWC and TBC. Non-controlling interests amounted to ₱866.2 million and ₱794.6 million as at December 31, 2023 and 2022, respectively.

The total comprehensive income allocated to non-controlling interests amounted to ₱153.1 million, ₱74.7 million and ₱60.9 million in 2023, 2022 and 2021, respectively.

On September 21, 2023, OPI's BOD approved the redemption of 33,000 preferred shares with a par value of ₱1,000.00 of a shareholder in accordance with the subscription agreement and articles of incorporation. The related payment remain outstanding as at December 31, 2023. At the same meeting, OPI's BOD also approved the rescission of a subscription agreement covering 48,479 preferred shares.

Financial Information of Subsidiaries

The summarized financial information of subsidiaries with significant non-controlling interests are as follows:

	2023		
	OPI	**NWC**	**TBC**
Total Current Assets	**₱1,061,433,541**	**₱2,415,375**	**₱558,188**
Total Noncurrent Assets	**2,691,077,334**	**–**	**–**
Total Current Liabilities	**1,658,794,824**	**–**	**–**
Total Noncurrent Liabilities	**527,712,334**	**–**	**–**
Total Equity	**1,566,003,717**	**2,415,375**	**558,188**
Revenue	**1,370,288,669**	**–**	**–**
Net Income (Loss)	**396,500,768**	**(4,329)**	**(10,065)**
Total Comprehensive Income (Loss)	**397,128,926**	**(4,329)**	**(10,065)**

	2022 (As restated - see Note 30)		
	OPI	NWC	TBC
Total Current Assets	₱813,581,790	₱2,419,704	₱568,253
Total Noncurrent Assets	2,789,738,317	–	–
Total Current Liabilities	1,450,725,157	–	–
Total Noncurrent Liabilities	683,010,565	–	–
Total Equity	1,469,584,385	2,419,704	568,253
Revenue	1,120,519,589	–	–
Net Income (Loss)	186,425,002	(4,640)	(8,769)
Total Comprehensive Income (Loss)	186,425,002	(4,640)	(8,769)

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will adjust, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the consolidated statements of financial position as its core capital.

The Group monitors capital using debt-to-equity ratio, which is total debt divided by total equity.

The debt-to-equity ratio of the Group is as follows:

	2023	2022
Debt	**₱3,203,900,390**	₱3,171,179,467
Equity	**3,597,744,490**	3,205,688,438
Net debt-to-equity ratio	**0.89:1**	0.99:1

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership is 34.24% as at December 31, 2023 and 2022.

The Group is subject to certain loan covenants as disclosed in Note 14.

16. Revenue

This account consists of:

	Note	**2023**	2022	2021
At a point in time:				
Power sales		**₱1,370,173,669**	₱1,120,424,053	₱983,042,395
Water services		**298,104,333**	280,331,407	271,168,978
Technical services		**23,228,482**	12,000,342	8,050,015
Rental income	10	**55,817,879**	35,255,911	16,375,061
		₱1,747,324,363	₱1,448,011,713	₱1,278,636,449

17. Direct Costs

This account consists of:

	Note	**2023**	2022 (As restated - see Note 30)	2021 (As restated - see Note 30)
Fuel cost	6	**₱641,393,798**	₱612,745,392	₱504,389,593
Depreciation and amortization	11	**163,675,367**	166,759,143	173,893,446
Outside services		**88,165,461**	88,530,722	92,719,375
Repairs and maintenance		**46,731,687**	26,744,574	29,027,546
Utilities		**44,627,258**	36,066,382	28,715,264
Salaries and employee benefits		**35,992,272**	32,713,579	29,960,316
Rental	22	**25,528,447**	21,003,146	19,437,967
Insurance		**8,001,465**	8,251,532	8,159,744
Supplies		**2,784,840**	821,082	792,458
Taxes and licenses		**1,359,109**	1,353,615	1,345,247
Transportation and travel		**1,082,402**	1,499,038	1,019,630
Retirement benefits cost		**183,678**	226,776	1,482,131
Others		**3,973,087**	3,888,641	4,838,590
		₱1,063,498,871	₱1,000,603,622	₱895,781,307

18. **General and Administrative Expenses**

This account consists of:

	Note	**2023**	2022 (As restated - see Note 30)	2021 (As restated - see Note 30)
Salaries and employee benefits		**₱53,686,942**	₱44,028,037	₱44,487,051
Outside services		**22,075,195**	1,979,448	2,524,585
Taxes and licenses		**20,084,368**	24,063,776	21,975,185
Transportation and travel		**15,642,174**	9,645,756	6,361,232
Repairs and maintenance		**8,615,793**	8,986,482	5,212,064
Depreciation and amortization	11	**7,946,417**	11,862,782	15,173,747
Representation and entertainment		**7,275,175**	2,456,877	363,355
Utilities		**6,576,860**	6,103,132	5,289,090
Professional services		**5,283,933**	5,046,442	4,910,279
Retirement benefits cost		**5,011,273**	5,730,527	3,792,642
Association dues		**3,655,186**	2,239,307	1,549,557
Donation		**2,131,998**	921,000	327,583
Insurance		**1,375,886**	1,444,283	1,431,003
Computer software		**1,142,155**	1,099,727	1,035,730
Rental	22	**948,105**	1,506,326	1,169,635
Energy Regulations (ER) 1-94 fund	22	**934,381**	911,796	1,011,597
Office supplies		**764,573**	1,061,071	774,922
Trainings and seminars		**428,511**	66,300	1,296,617
Advertising		**194,557**	310,466	226,247
Provision for ECL	5	**–**	2,102,173	–
Others		**9,460,549**	4,140,694	3,307,328
		₱173,234,031	₱135,706,402	₱122,219,449

Others include parking and toll fees and other miscellaneous expenses.

19. **Other Income (Charges)**

This account consists of:

	Note	**2023**	2022	2021
Bank charges		**(₱4,331,256)**	(₱4,734,622)	(₱3,794,967)
Gain on sale of:				
Investment properties	10	**3,857,920**	–	–
Transportation equipment	11	**103,393**	315,000	229,504
Interest income	4	**1,091,595**	463,096	589,774
Net unrealized foreign exchange gain		**3,291**	16,708	5,378
Loss on retirement of furniture and fixtures		**–**	–	(9,309,541)
Others		**425,166**	866,220	617,529
		₱1,150,109	(₱3,073,598)	(₱11,662,323)

Other income mainly pertains to sale of scrap materials.

20. **Related Party Transactions**

The Group's transactions with its related parties are summarized below:

			Amounts of Transaction		Outstanding Balances	
Related Party	Nature	Note	**2023**	2022	**2023**	2022
Due from Related Parties						
Under common management	Cash advances		**₱1,639,516**	₱13,606,847		
	Collections		**(22,471,420)**	(21,548,572)	**₱77,086,512**	₱97,918,416
Associate	Cash advances		**8,013,643**	4,268		
	Collections		**(6,000,000)**	(9,845)	**47,925,986**	45,912,343
Stockholders	Cash Advances		**–**	283,941	**283,941**	283,941
					₱125,296,439	₱144,114,700
Trade Payables		13				
Under common management	Operations and maintenance fees	22	**₱42,874,708**	₱36,286,319		
	Construction		**23,765,279**	74,607,561		
	Payments		**(40,706,022)**	(154,863,529)	**₱286,381,478**	₱260,447,513
Retention Payables		13				
Under common management	Construction		**₱–**	₱–		
	Payment		**–**	(12,931,477)	**₱19,782,484**	₱19,782,484
Stockholders	Conversion to preference share		**–**	(4,000,000)	**207,471,850**	207,471,850
					₱227,254,334	₱227,254,334
Accrued Expenses		13				
Under common management	Operations and maintenance fees	22	**₱15,079,703**	₱7,324,200		
	Construction		**8,628,955**	–		
	Payment		**(12,670,805)**	(13,875,824)	**₱23,708,658**	₱12,670,805
Due to Related Parties						
Stockholders	Cash advances		**₱–**	₱12,526,869		
	Payments		**(24,594,728)**	(1,333,305)	**₱146,015,087**	₱170,609,815
Under common management	Cash advances		**–**	24,534,133		
	Payments		**(589,011)**	(9,990,136)	**75,134,849**	75,723,860
					₱221,149,936	₱246,333,675

Due from Related Parties. The Group has advances for working capital requirements. These receivables are unsecured, noninterest-bearing and collectible in cash upon demand.

Due to Related Parties. Amounts due to related parties are mainly attributable to advances from stockholders for investment purposes. These payables are unsecured, noninterest-bearing and payable in cash upon demand.

Intercompany transactions eliminated in consolidation pertain to due to/from related parties, intercompany revenue and dividend income. Total due to/from related parties eliminated amounted to ₱95.2 million and ₱99.4 million as at December 31, 2023 and 2022, respectively. Intercompany revenue eliminated amounted to ₱31.5 million, ₱17.4 million and ₱28.8 million in 2023, 2022 and 2021, respectively.

Compensation of Key Management Personnel

Compensation of key management personnel, consisting of short-term salaries and government-mandated benefits, amounted to ₱39.4 million, ₱37.0 million and ₱35.2 million in 2023, 2022 and 2021, respectively.

21. Retirement Benefits Liability

The Group operates a non-contributory retirement plan covering all qualified employees. The benefit shall be payable to employees who retire from service who are at least 60 years old and with at least five years of continuous service. Under the current plan, the employees are entitled to retirement benefits of 85% of the final monthly salary at retirement date for employees who have rendered at least five years of service by the time of retirement.

The most recent actuarial valuation reports were dated February 19, 2024. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

The plan is not yet funded as at December 31, 2023 and 2022.

Retirement benefits cost recognized in the consolidated statements of comprehensive income in respect of this defined benefit plan is included as part of "Direct costs" and "General and administrative expenses":

	2023	2022	2021
Current service cost	**₱2,829,948**	₱3,721,589	₱3,652,128
Interest cost	**2,365,003**	2,235,714	1,622,645
	₱5,194,951	₱5,957,303	₱5,274,773

Movements in the present value of defined benefit obligation are as follows:

	2023	2022
Balance at beginning of year	**₱46,933,118**	₱43,264,852
Current service cost	**2,829,948**	3,721,589
Interest cost	**2,365,003**	2,235,714
Transfer	**7,773**	–
Actuarial gain recognized in OCI	**(6,831,153)**	–
Retirement benefits paid	**–**	(2,289,037)
Balance at end of year	**₱45,304,689**	₱46,933,118

The principal assumptions used for purposes of the actuarial valuations are as follows:

	2023	2022
Discount rate	**6.04%**	4.10%
Expected rate of salary increases	**5.00%**	5.00%

The schedule of expected future benefit payments of the Group are follows:

Years	2023	2022
Within one to five years	**₱15,217,226**	₱10,248,346
Within six to 10 years	**26,346,258**	13,372,315
Within 11 to 15 years	**80,559,033**	73,431,742
Beyond 15 years	**28,759,978**	28,142,518

The sensitivity analysis on the defined benefits obligations follows:

	Change in assumption	2023	2022
Discount rate	+0.5%	**(₱1,279,508)**	(₱1,545,217)
	-0.5%	**1,372,982**	1,678,196
Salary increase rate	+0.5%	**1,380,609**	1,653,861
	-0.5%	**(1,298,009)**	(1,538,535)

Remeasurement Gain

The cumulative remeasurement gains on retirement benefits liability recognized in other comprehensive income follows:

	2023		
	Cumulative Remeasurement Gains	**Deferred Tax** (see Note 24)	**Net**
Balance at beginning of year	**₱20,258,906**	**₱3,458,259**	**₱16,800,647**
Remeasurement gain	**6,831,153**	**1,607,149**	**5,224,004**
Balance at end of year	**₱27,090,059**	**₱5,065,408**	**₱22,024,651**

	2022		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 24)	Net
Balance at beginning and end of year	₱20,258,906	₱3,458,259	₱16,800,647

The average duration of the benefit obligation is 8.60 years and 9 years as at December 31, 2023 and 2022, respectively.

22. Significant Contracts and Commitments

Lease of Water Facilities

In 2006, CWWC entered into a lease agreement with the local government unit (LGU) of Tabuk, in the province of Kalinga. Under the Agreement, CWWC will manage, operate and maintain the water facilities developed and owned by the LGU within a defined service area for 15 years from the day the facilities are turned over by the LGU. On March 25, 2016, the lease term was extended for another 10 years. CWWC initially paid for the installation and rehabilitation of water facilities in Tabuk on behalf of the LGU. The related receivable from the LGU is disclosed in Note 5. CWWC shall make lease payments to the LGU based on agreed amounts.

The monthly fees paid to the LGU are based on the current billed volume. The related water revenue from operating the water facilities in Tabuk amounted to ₱32.0 million, ₱30.5 million and ₱28.5 million in 2023, 2022 and 2021, respectively.

Relevant information of the lease agreement are as follows:

- Monthly supervision fee of ₱5.00 per service connection subject to adjustment. Supervision and regulatory fees amounted to ₱305,350, ₱294,430 and ₱285,950 in 2023, 2022 and 2021, respectively;

- Annual lease fee ranging from ₱1.4 million to ₱8.8 million during the lease period. The related rental expense amounted to ₱8.8 million in 2023, 2022 and 2021; and

- Performance security through a bank guarantee valid for 12 months, renewable annually. Special bank deposit amounted to ₱4.5 million and ₱9.0 million as at December 31, 2023 and 2022, respectively (see Note 12).

Accrued rental expense amounted to ₱57.6 million as at December 31, 2023 and 2022, and is presented as part of "Accrued expenses" under "Trade and other payables" in the consolidated statements of financial position.

Customers' Deposits
CWWC requires its new customers to pay a deposit which shall be returned to the customer upon termination of the service connection. Customers' deposits amounted to ₱38.0 million and ₱29.7 million as at December 31, 2023 and 2022, respectively.

Construction Agreements for Waterworks System
In 2017, CWWC entered into a contract with an entity under common management for Phase 2 of the 2014 waterworks system development and expansion plan (the "Project") in Calapan City. The total contract price of the Project is ₱152.1 million. In 2021, the contract price for Phase 2 was amended to ₱227.8 million. Actual construction costs incurred amounted to ₱383.8 million and ₱301.7 million as at December 31, 2023 and 2022, respectively.

Total capitalized borrowing costs related to the construction of the Project amounted to ₱21.7 million as at December 31, 2023 and 2022. There were no capitalized borrowing costs in 2023 and 2022.

Related retention payable amounted to ₱19.8 million as at December 31, 2023 and 2022.

Service Agreement
In September 2019, CWWC entered into a service agreement with an entity under common management for the operations and maintenance of its water system facilities for a period of three years. The agreement was renewed in 2022.

Operations and maintenance fees amounted to ₱58.0 million, ₱43.6 million and ₱42.4 million in 2023, 2022 and 2021, respectively. These are recorded as part of "Outside services" under "Direct costs" in the consolidated statements of comprehensive income.

Power Supply Agreement (PSA)

Modular Bunker Fuel-Fired Power Plant. On February 9, 2010, OPI entered into a PSA with ORMECO wherein OPI agreed to supply the power needs of ORMECO for a period of 15 years, subject to renewal for another 15 years upon mutual agreement of the parties, and to construct, operate and maintain the needed power generation plant on a Build-Own-Operate (BOO) basis. This agreement includes responsibilities of both parties on the construction, testing and operation of the power plant which will also be owned by OPI.

OPI agreed to supply ORMECO more or less 4,939,200 kWh of energy per month or a maximum of 8MW Power at any given time during the cooperation period for which electricity and other fees shall be paid by ORMECO on a monthly basis. ORMECO agreed to buy such electricity up to the plant's production capacity.

Inabasan Mini-Hydroelectric Power Plant (IMHPP). On July 18, 2012, OPI entered into a PSA with ORMECO wherein OPI agreed to supply the power needs of ORMECO for a period of 25 years, subject to extension upon mutual agreement of the parties, and to construct, operate and maintain the IMHPP to be located at the Municipality of San Teodoro, Oriental Mindoro. This agreement includes responsibilities of both parties on the construction, testing and operation of the power facility which will also be owned by OPI.

OPI agreed to supply ORMECO a minimum of 4,083,000 kWh up to the maximum of 4,320,000 kWh of energy per month at any given time during the cooperation period for which the generation rate shall be paid by ORMECO on a monthly basis.

Power sales generated from the power plants attributable to ORMECO aggregated ₱679.8 million and ₱630.3 million in 2023 and 2022, respectively.

Subsidy Agreement between NPC, ORMECO and OPI

In 2011 and 2019, NPC, ORMECO and OPI signed the subsidy agreement which governs the availment by OPI of the Missionary Electrification Subsidy (ME Subsidy) as a New Power Provider (NPP) in the province of Mindoro. The agreement shall take effect from the time of execution until expiration of the PSA or termination of the Subsidy Agreement, as provided under Section 8 of the Subsidy Agreement, whichever comes earlier.

The ME Subsidy shall be computed as the difference between the True Cost of Generation Rate (TCGR) computed under the PSA and the Socially Acceptable Generation Rate (SAGR) paid by ORMECO. The amount of the ME Subsidy shall be taken from the Universal Charge-Missionary Electrification (UC-ME) fund being maintained by NPC.

Power sales to NPC amounted to ₱348.8 million, ₱356.2 million and ₱312.1 million in 2023, 2022 and 2021, respectively.

Cash Incentive Entitlement

Under ERC Resolution No. 7, Series of 2014, OPI, being an RE Developer registered with the Department of Energy (DOE) operating in Oriental Mindoro (a missionary area identified under the Missionary Electrification Development Plan [MEDP]) shall be entitled to generation-based cash incentive from the UC-ME to the extent of the amount approved by the ERC for the purpose determined in accordance with the requirements and procedures under the amended guidelines issued pursuant to ERC Resolution No. 21, Series of 2011, subject to the availability of funds.

OPI, when availing the cash incentive, shall submit to Power Sector Assets and Liabilities Management (PSALM) its duly accomplished UC-ME Cash Incentive Claim form (CICF) together with other supporting documents. The rate of ₱1.1789/kWh shall be the Cash Incentive due to RE Developer applied to the net generation (net of station use) based on the energy delivered by generation company to the DUs, consistent with Section 5, Article III of ERC Resolution No.7, Series of 2014.

On April 29, 2022, ERC issued its Decision on ERC Case No. 2014-135 RC "In the Matter of the Petition for the Approval of the Proposed New SAGR and the UC-ME for the Years 2015-2016", wherein PSALM directed to release or disburse to NPC any amount collected from the implementation of the UC-ME, except for the accrued collections for the RE Developers' Cash Incentive (REDCI) at ₱0.0017/kWh and ₱2.9907/kWh shall apply for Oriental Mindoro as REDCI rate for calendar year 2016 and prior years. Also, ERC found it just and reasonable to grant an interim relief to those RE Developers not yet included in the petition. Grant of interim relief shall be subject to adjustments as determined in the year they are included in the subsequent UC-ME petition of NPC. The grant of interim REDCI rate shall be subject to conditions and OPI has been granted with such relief.

OPI's cash incentive amounted to ₱341.7 million, ₱133.9 million and ₱58.5 million in 2023, 2022 and 2021, respectively, and included under the "Power sales" as part of “Revenue” in the consolidated statements of comprehensive income.

Hydropower Service Contract

On March 25, 2010, OPI entered into a Hydropower Service Contract with the DOE pursuant to Section 2, Article XII of the 1987 Constitution and Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008. OPI was appointed and constituted by the DOE as the exclusive party to explore, develop and utilize the hydropower resources within Inabasan River in the Municipality of San Teodoro, Oriental Mindoro. OPI may pursue any additional investment or new investment within the Inabasan River and shall provide the services, technology, equipment, and financing. Technical and financial risk under the contract shall be assumed by OPI in case no hydropower resource in quantities of electricity is determined during the pre-development stage.

The IMHPP was commissioned on January 14, 2019. The Contract states that OPI, as a RE developer, shall remit the government share, which shall be equal to one percent (1%) of the gross income of the RE developer within 60 days following the end of each calendar quarter. The payment of government share shall accrue from the time and only when the resource is utilized commercially.

The government share remitted by OPI amounting to ₱5.1 million, ₱1.7 million and ₱2.0 million in 2023, 2022 and 2021, respectively, is presented under “General and administrative expenses” in the consolidated statements of comprehensive income.

Memorandum of Agreements (MOA)

OPI entered into a MOA with the DOE for the granting of financial benefits to the host communities of the energy-generation company and/or energy resources for its 8 MW Modular Bunker Fuel-Fired Power Plant and 10 MW Inabasan Hydroelectric Power Plant in compliance with ER1-94 and the Implementing Rules and Regulations of Electric Power Industry Reform Act of 2001. As agreed, OPI shall provide financial benefits equivalent to one centavo per kilowatt-hour (₱0.01/kWh) of the total electricity sales of the generation facility to the region, province, city or municipality and barangay that host the generation facility. The computation of financial benefits commenced upon the start of the commercial operation of the power plant facilities.

The amount of ER1-94 fund payments is disclosed in Note 18.

Fuel Supply and Management Agreement (FSMA)

Pursuant to the PSA, OPI also entered into a FSMA with ORMECO to ensure the continued and timely supply of fuel and lube oil to the power plant in the needed quantities and qualities and to put in place a transparent process in order to ensure at all times the lowest cost thereof. OPI owns the storage tanks and dispensing pumps that were installed at the power plant and all the structures, fixtures and equipment used in connection with the supply of fuel and lube oil. This agreement has the same duration as that of the PSA unless otherwise agreed by both parties.

Amount of fuel as at December 31, 2023 and 2022 is disclosed in Note 6.

Power Generation Project and Operation and Maintenance Agreement

On July 26, 2017, OPI entered into a Power Generation Project and Operation and Maintenance Agreement (the "Agreement") with a local service provider for the operation, maintenance and management services for OPI's 8MW Modular Bunker Fuel-Fired Power Plant for a period of four years and may be renewed upon agreement of the parties. It also included the hiring of contractors for repair services; sourcing and procuring of the required maintenance parts and other specific duties required by the Agreement.

In 2022, OPI and the local service provider entered into a Second Operation and Maintenance Agreement.

Total service fees incurred by OPI amounted to ₱26.5 million, ₱36.0 million and ₱37.4 million in 2023, 2022 and 2021, respectively presented as part of "Outside services" under "Direct Costs" account in the consolidated statements of comprehensive income.

As part of the Agreement, OPI's generators spare parts custody and management were transferred to the local service provider and will be returned to OPI upon the termination of the Agreement.

On September 26, 2023, the local service provider and OPI mutually agreed to end the Agreement. From the same date onwards, the plant's operation and maintenance are directly undertaken by OPI.

Other Lease Agreements

Group as a Lessor. The Group leased its various investment properties and certain furniture, furnishings and equipment under operating lease with various lessees. The lease shall be for a period of one year and renewable upon mutual agreement of the parties.

Rental income recognized in the consolidated statements of comprehensive income is disclosed in Note 16.

The amount of security deposits is disclosed in Note 13.

Group as a Lessee. The Group leases several office spaces for a period of one year, renewable upon mutual agreement of the parties.

CWWC entered into a renewable lease agreement for properties where wells and boosters are located for a period of one year. The related rental expense amounted to ₱17.5 million, ₱11.8 million and ₱10.2 million in 2023, 2022 and 2021, respectively.

The Group also leased a parcel of land owned by ORMECO for OPI's 8MW Modular Bunker Fuel-Fired Power Plant's site. The term of the lease is for 15 years starting from February 9, 2010 with an annual rental of ₱10,000 inclusive of VAT and may be renewed for another 15 years, under terms and conditions mutually agreed upon by the parties.

Total rental expense, including the rental on water facilities, is charged as follows:

	Note	**2023**	2022	2021
Direct costs	17	**₱25,528,447**	₱21,003,146	₱19,437,967
General and administrative expenses	18	**948,105**	1,506,326	1,169,635
		₱26,476,552	₱22,509,472	₱20,607,602

23. Earnings Per Share (EPS)

The calculation of the basic and diluted income per share is based on the following data:

	2023	2022 (As restated - see Note 30)	2021 (As restated - see Note 30)
Net income attributable to Parent Company	**₱404,839,996**	₱175,025,624	₱365,064,218
Weighted average number of ordinary shares issued and outstanding	**281,500,000**	281,500,000	281,500,000
	₱1.4382	₱0.6218	₱1.2969

In 2023, 2022 and 2021, the Group has no dilutive or potential dilutive shares.

24. Income Taxes

Components of provision for income tax are as follows:

	2023	2022 (As restated - see Note 30)	2021 (As restated - see Note 30)
Profit or loss:			
Current	**₱13,866,849**	₱11,303,567	₱11,276,817
Deferred	**44,842,006**	10,938,893	21,151,551
	58,708,855	22,242,460	32,428,368
Other comprehensive income - Deferred	**1,607,149**	–	1,469,224
	₱60,316,004	₱22,242,460	₱33,897,592

The components of the Group's deferred tax assets and deferred tax liabilities as at December 31, 2023 and 2022 are as follows:

	2023	2022 (As restated - see Note 30)
Deferred tax assets:		
Recognized deferred tax assets for NOLCO	**₱22,086,931**	₱22,407,762
Retirement benefits liability	**10,381,002**	10,426,285
Allowance for ECL on receivables	**1,047,974**	2,322,204
Excess MCIT over RCIT	**2,085,135**	1,353,417
Allowance for ECL on deposits	**662,410**	662,410
Prepaid rental	**33,522**	33,522
	₱36,296,974	₱37,205,600
Deferred tax liabilities:		
Recognized through profit or loss:		
Fair value adjustments on investment properties	**₱338,011,429**	₱292,212,103
Capitalized borrowing costs	**2,506,843**	2,716,843
Unrealized foreign exchange gain	**1,268**	3,074
Recognized through other comprehensive income -		
Revaluation surplus	**30,709,323**	30,709,323
	₱371,228,863	₱325,641,343

Under the Republic Act No. 11494, *Bayanihan to Recover As One Act*, and Revenue Regulations No. 25-2021, the Group is allowed to carry over its operating losses incurred for the taxable years 2020 and 2021 for the next five years immediately following the year of such loss.

The details of the Group's NOLCO are as follows:

Year	Amount	Incurred (Utilized)	Balance	Expiry Year
2023	₱–	₱23,818,223	₱23,818,223	2026
2022	14,536,623	(159,114)	14,377,509	2025
2021	38,156,501	(11,090,559)	27,065,942	2026
2020	41,637,747	(13,642,090)	27,995,657	2025
	₱94,330,871	(₱1,073,540)	₱93,257,331	

Deferred tax asset pertaining to NOLCO of subsidiaries amounting to ₱0.7 million, ₱1.8 million and ₱1.4 million as at December 31, 2023, 2022 and 2021, respectively, was not recognized since management has assessed that there may be no sufficient future taxable profit against which the deferred tax asset can be utilized within the period allowed by the tax regulations.

Details of the Group's MCIT, which can be claimed as credit against future income tax liability, are as follows:

Year	Amount	Incurred (Expired)	Balance	Expiry Year
2023	₱–	₱1,231,356	₱1,231,356	2026
2022	766,335	(161,177)	605,158	2025
2021	279,464	(51,299)	228,165	2024
2020	305,255	(305,255)	–	2023
	₱1,351,054	₱713,625	₱2,064,679	

The reconciliation of provision for income tax computed at the statutory income tax rate and the effective income tax rate follows:

	2023	2022 (As restated - see Note 30)	2021 (As restated - see Note 30)
At the applicable statutory income tax rates	**₱204,647,712**	₱68,240,965	₱109,938,576
Tax effects of:			
Net income under income tax holiday	**(148,971,841)**	(48,992,468)	(36,339,822)
Nondeductible expenses	**686,916**	445,892	582,860
Interest income already subjected to a final tax	**(260,495)**	(99,228)	(147,444)
Expired MCIT	**133,296**	–	–
Expired NOLCO	**–**	2,427,952	2,048,316
Change in tax rate	**2,338,461**	–	(41,794,451)
Change in unrecognized deferred tax assets	**134,806**	219,347	(1,859,667)
At effective income tax rates	**₱58,708,855**	₱22,242,460	₱32,428,368

OPI is registered with the BOI under the Omnibus Investments Code of 1987. As an incentive, OPI is entitled to ITH for seven years from actual commercial operations of IMHPP.

On March 26, 2021, RA No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Act” (the “Act”) was signed into law by the President of the Philippines. Under the Act, domestic corporations will be subject to 25% or 20% RCIT depending on the amount of total assets and total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for a period of three years beginning July 1, 2020 to June 30, 2023, and will revert to 2% starting July 1, 2023.

25. **Reconciliation of Liabilities Arising from Financing Activities**

The table below details changes in the Group’s liabilities arising from financing activities, including cash and noncash changes:

	Loans Payable	**Due to Related Parties**	**Accrued Interest**
Balance as at December 31, 2021	**₱1,655,105,647**	**₱220,596,114**	**₱–**
Cash charges:			
Availments	290,192,050		–
Payments	(324,563,722)	(11,323,441)	(96,902,794)
Advances	–	37,061,002	–
Interest expense	–	–	96,902,794
Balance as at December 31, 2022	**₱1,620,733,975**	**₱246,333,675**	**₱–**
Cash charges:			
Availments	**–**	**–**	**–**
Payments	**(317,492,481)**	**(25,183,739)**	**(99,391,388)**
Advances	**–**	**–**	
Interest expense	**–**	**–**	**99,391,388**
Balance as at December 31, 2023	**₱1,303,241,494**	**₱221,149,936**	**₱–**

26. Financial Risk Management Objectives and Policies

The Group's financial assets comprise mainly of cash and cash equivalents, trade and other receivables, due from related parties, deposits and short-term placement (presented as part of "Other current assets"), financial assets at FVOCI and other noncurrent assets. The Group's principal financial liabilities include trade and other payables (excluding statutory payables), loans payable, due to related parties, dividends payable and customers' deposits. The main purpose of these financial liabilities is to finance the Group's operations.

The Group is exposed to interest rate risk, credit risk, and liquidity risk. The Group's management oversees the management of these risks. The Group's BOD and management review and approve the policies for managing each of the risks, which are summarized below.

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

The primary source of the Group's interest rate risk relates to debt instruments such as bank loans. The interest rates on these liabilities are disclosed in Note 14.

The Group's exposure to changes in interest rates relates primarily to long-term loans. These loans are obtained at fixed rate and do not expose the Group to cash flow interest rate risk but to fair value interest rate risk. The Company regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Group's net income.

Credit Risk
Credit risk is the risk when a counterparty fails to fulfill its obligations to the Group. Counterparties such as banks and customers who pay on or before due date have minimum risk exposure because default in settling its obligations is remote.

The table below shows the gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements:

	2023	2022
Cash and cash equivalents	**₱297,730,111**	₱190,029,184
Trade and other receivables	**787,949,176**	685,570,108
Due from related parties	**125,296,439**	144,114,700
Deposits	**111,000**	111,000
Short-term placement	**8,667,426**	100,434
Other noncurrent assets	**37,713,116**	44,165,757
	₱1,257,467,268	₱1,064,091,183

Risk Management. Credit risk is managed on a group basis. The Group deals only with reputable banks and customer to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

Sales to customers are required to be settled in cash, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

	2023			
	Neither Past Due Nor Impaired			
	High Grade	**Standard Grade**	**Substandard Grade**	**Total**
Cash and cash equivalents	**₱297,730,111**	**₱–**	**₱–**	**₱297,730,111**
Trade and other receivables				
Trade	**–**	**763,556,609**	**4,113,182**	**767,669,791**
Nontrade	**–**	**20,279,385**	**–**	**20,279,385**
Due from related parties	**–**	**125,296,439**	**–**	**125,296,439**
Deposits	**–**	**111,000**	**–**	**111,000**
Short-term placement	**–**	**8,667,426**	**–**	**8,667,426**
Other noncurrent assets	**–**	**35,063,475**	**2,649,641**	**37,713,116**
Total	**₱297,730,111**	**₱952,974,334**	**₱6,762,823**	**₱1,257,467,268**

	2022			
	Neither Past Due Nor Impaired			
	High Grade	Standard Grade	Substandard Grade	Total
Cash and cash equivalents	₱190,029,184	₱–	₱–	₱190,029,184
Trade and other receivables				
Trade	–	657,123,922	9,210,102	666,334,024
Nontrade	–	19,236,084	–	19,236,084
Due from related parties	–	144,114,700	–	144,114,700
Deposits	–	111,000	–	111,000
Short-term placement	–	100,434	–	100,434
Other noncurrent assets	–	41,516,116	2,649,641	44,165,757
Total	₱190,029,184	₱862,202,256	₱11,859,743	₱1,064,091,183

The credit quality of such financial assets at amortized cost is managed by the Group using the internal credit quality ratings as follows:

- *High Grade.* Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.

- *Standard Grade.* Other financial assets not belonging to high-grade financial assets are included in this category.

- *Substandard Grade.* Substandard grade financial assets are those which have the probability of impairment based on historical trend.

Impairment. While cash and cash equivalents is subject to the impairment requirements of PFRS 9, the assessed impairment loss is not material. The Group limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For trade and other receivables, impairment analysis is performed at each reporting date using lifetime expected credit loss allowance to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off if past due for more than 360 days and are not subject to enforcement activity.

Using the ECL allowance, the credit risk exposure on the Group's trade and other receivables is disclosed in Note 5.

Liquidity Risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, 2023 and 2022 based on undiscounted cash flows:

	2023			
	Payable Within One Year	**Payable Within One to Five Years**	**Later than Five Years**	**Total**
Trade and other payables*	**₱999,614,748**	**₱–**	**₱–**	**₱999,614,748**
Loans payable	**783,274,435**	**519,967,059**	**–**	**1,303,241,494**
Due to related parties	**221,149,936**	**–**	**–**	**221,149,936**
Dividends payable	**173,329,136**	**–**	**–**	**173,329,136**
Customers' deposits	**–**	**–**	**37,959,262**	**37,959,262**
Future interest on loans	**32,492,672**	**28,544,161**	**–**	**61,036,833**
	₱2,209,860,927	**₱548,511,220**	**₱37,959,262**	**₱2,796,331,409**

**Excluding statutory payables*

	2022			
	Payable Within One Year	Payable Within One to Five Years	Later than Five Years	Total
Trade and other payables*	₱858,662,860	₱–	₱–	₱858,662,860
Loans payable	929,439,580	691,294,395	–	1,620,733,975
Due to related parties	246,333,675	–	–	246,333,675
Customers' deposits	–	–	29,720,816	29,720,816
Future interest on loans	1,581,665	89,161,761	–	90,743,426
	₱2,036,017,780	₱780,456,156	₱29,720,816	₱2,846,194,752

**Excluding statutory payables*

27. **Fair Value of Financial Assets and Liabilities**

The table below presents the carrying amounts and fair value of the Group's financial assets and financial liabilities as at December 31, 2023 and 2022.

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Financial Assets at FVOCI - Investment in unquoted shares	**₱116,636,381**	**₱116,636,381**	₱32,931,206	₱32,931,206
Financial Assets at Amortized Cost:				
Cash and cash equivalents	**297,730,111**	**297,730,111**	190,029,184	190,029,184
Trade and other receivables	**783,835,994**	**783,835,994**	676,360,006	676,360,006
Due from related parties	**125,296,439**	**125,296,439**	144,114,700	144,114,700
Deposits	**111,000**	**111,000**	111,000	111,000
Short-term placement	**8,667,426**	**8,667,426**	100,434	100,434
Other noncurrent assets	**35,063,475**	**35,063,475**	41,516,116	41,516,116
	₱1,367,340,826	**₱1,367,340,826**	₱1,085,162,646	₱1,085,162,646
Financial Liabilities				
Financial Liabilities at amortized cost:				
Trade and other payables*	**₱999,614,748**	**₱999,614,748**	₱858,662,860	₱858,662,860
Loans payable	**1,303,241,494**	**1,181,655,284**	1,620,733,975	1,574,946,237
Due to related parties	**221,149,936**	**221,149,936**	246,333,675	246,333,675
Dividends payable	**173,329,136**	**173,329,136**	–	–
Customers' deposits	**37,959,262**	**37,959,262**	29,720,816	29,720,816
	₱2,735,294,576	**₱2,613,708,366**	₱2,755,451,326	₱2,709,663,588

** Excluding statutory payables*

The Group has determined that carrying amounts of cash and cash equivalents, trade and other receivables, due from related parties, deposits, short-term placement, trade and other payables (excluding statutory payables), due to related parties and dividends payable approximate their fair values because these are mostly short term in nature.

The fair value of investment in unquoted shares is determined using the net asset method (Level 3). Significant increase (decrease) in the net asset value would result in a significantly lower (higher) fair value measurement.

The fair value of other noncurrent assets approximates its carrying amount. Management assessed that the effect of discounting is not material. These other noncurrent assets are classified under Level 3 of the fair value hierarchy groups.

The fair value of the loans payable is determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments. Significant increase (decrease) in the discount rate would result in a significantly lower (higher) fair value measurement. This financial liability is classified under Level 3 of the fair value hierarchy groups.

The fair value of customers' deposits approximates its fair value since the future cash flows cannot be readily determined nor reliably measured because the actual timing of payment cannot be reasonably predicted.

The fair value hierarchy groups the financial assets and liabilities into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers among levels in 2023 and 2022.

28. Operating Segment Information

Financial information about reportable segments follows:

	2023					
	Power Sales	**Water Utilities**	**Rentals**	**Technical Services**	**Others**	**Total**
Segment revenue	**₱1,370,173,669**	**₱298,104,333**	**₱67,515,628**	**₱44,593,877**	**₱–**	**₱1,780,387,507**
Inter-segment revenue	**–**	**–**	**12,897,750**	**20,165,394**	**–**	**33,063,144**
Net revenue	**₱1,370,173,669**	**₱298,104,333**	**₱54,617,878**	**₱24,428,483**	**₱–**	**₱1,747,324,363**
Segment results:						
Income before income tax	**₱376,955,699**	**₱65,436,637**	**₱64,863,626**	**₱36,895,164**	**₱72,492,738**	**₱616,643,864**
Provision for (benefit from) income tax	**(5,301,006)**	**11,039,113**	**25,081,042**	**13,556,333**	**14,333,373**	**58,708,855**
Net income	**₱382,256,705**	**₱54,397,524**	**₱39,782,584**	**₱23,338,831**	**₱58,159,365**	**₱557,935,009**
Total assets	**₱3,696,767,374**	**₱938,003,154**	**₱1,811,841,193**	**₱192,875,646**	**₱162,157,513**	**₱6,801,644,880**
Total liabilities	**₱2,136,049,356**	**₱355,097,471**	**₱533,818,580**	**₱100,256,239**	**₱78,678,744**	**₱3,203,900,390**
Additions to -						
Property and equipment	**₱27,230,696**	**₱68,473,402**	**₱9,119,953**	**₱–**	**₱–**	**₱104,824,051**
Other information:						
Depreciation and amortization	**₱132,388,134**	**₱32,371,116**	**₱6,242,660**	**₱619,874**	**₱–**	**₱171,621,784**

	2022 (As restated - see Note 30)					
	Power Sales	Water Utilities	Rentals	Technical Services	Others	Total
Segment revenue	₱1,120,424,053	₱280,331,407	₱46,061,836	₱18,600,342	₱–	₱1,465,417,638
Inter-segment revenue	–	–	10,805,925	6,600,000	–	17,405,925
Net revenue	₱1,120,424,053	₱280,331,407	₱35,255,911	₱12,000,342	₱–	₱1,448,011,713
Segment results:						
Income (loss) before income tax	₱183,236,690	₱41,514,847	₱50,910,388	(₱3,324,884)	(₱405,744)	₱271,931,297
Provision for (benefit from) income tax	(3,188,312)	10,462,350	13,948,299	813,873	206,250	22,242,460
Net income	₱186,425,002	₱31,052,497	₱36,962,089	(₱4,138,757)	(₱611,994)	₱249,688,837
Total assets	₱3,569,505,484	₱903,864,507	₱1,536,867,832	₱126,044,903	₱240,585,179	₱6,376,867,905
Total liabilities	₱2,125,132,376	₱380,154,495	₱522,324,865	₱73,058,570	₱70,509,161	₱3,171,179,467
Additions to -						
Property and equipment	₱19,614,805	₱74,607,561	₱7,824,118	₱1,507,143	₱–	₱103,553,627
Other information:						
Depreciation and amortization	₱129,535,896	₱34,804,455	₱13,145,896	₱1,135,678	₱–	₱178,621,925

	2021 (As restated - see Note 30)					
	Power Sales	Water Utilities	Rentals	Technical Services	Others	Total
Segment revenue	₱983,042,395	₱271,168,978	₱26,548,915	₱26,645,807	₱–	₱1,307,406,095
Inter-segment revenue	–	–	10,721,354	18,048,292	–	28,769,646
Net revenue	₱983,042,395	₱271,168,978	₱15,827,561	₱8,597,515	₱–	₱1,278,636,449
Segment results:						
Income (loss) before income tax	₱153,461,187	₱63,356,561	₱177,381,366	(₱6,972,865)	₱72,757,869	₱459,984,118
Provision for (benefit from) income tax	(189,622)	10,025,849	8,348,259	4,873,543	9,370,339	32,428,368
Net income	₱153,650,809	₱53,330,712	₱169,033,107	(₱11,846,408)	₱63,387,530	₱427,555,750
Total assets	₱3,321,697,714	₱869,055,467	₱1,398,836,023	₱125,449,171	₱319,207,785	₱6,034,246,160
Total liabilities	₱2,064,554,051	₱378,383,016	₱507,110,510	₱69,779,505	₱57,920,850	₱3,077,747,932
Additions to -						
Property and equipment	₱8,974,943	₱24,754,658	₱1,535,774	₱4,905	₱–	₱35,270,280
Other information:						
Depreciation and amortization	₱125,358,114	₱39,671,974	₱22,924,410	₱1,112,695	₱–	₱189,067,193

Major Customer

Other than ORMECO and NPC, the Group does not have any other single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

29. **Contingencies**

The Group is a party to certain lawsuits or claims arising from the ordinary course of business. The Group's management and legal counsel believes that the eventual liabilities under these lawsuit or claims, if any, will not have a material effect on the consolidated financial statements, and thus, no provision has been made for these contingent liabilities.

Details of pending cases are as follows:

a. Parent Company vs. Philippine British Assurance Co., Inc.

- *Civil Case No. 044051, Regional Trial Court, National Capital Judicial Region, Branch 143, Makati City*

  In 2004, the Parent Company filed a Complaint [With Application for The Issuance of A Writ of Preliminary Attachment] (the Complaint) with the Regional Trial Court (RTC) of Makati City. The Complaint sought the recovery of the Parent Company's outstanding insurance claims against defendant Philippine British Assurance Co., Inc. (PBAC) amounting to at least ₱34.9 million, exclusive of interest. In addition, the Parent Company prayed for the payment of ₱2.0 million by way of exemplary damages and ₱1.0 million as attorney's fees and litigation expenses.

  In 2016, the Parent Company received a copy of the Decision dated December 7, 2016, where the trial court rendered judgement in favor of the Parent Company and against PBAC. In the said Decision, PBAC was ordered to pay the Parent Company the following:

  1. ₱25.0 million under the Policy HOFO1FD-FL-S001737 for the damage to the machineries, equipment and other facilities usual to the Parent Company's business including building improvements and betterments thereon, plus interest of 12% per annum from November 21, 2001, until fully paid;

2. ₱10.0 million under Policy HOFO1FD-Fl-S001738 for office furniture, fixtures, fittings and other equipment usual to the Parent Company's business including building improvements and betterments thereon, plus 12% per annum from November 21, 2001, until fully paid; and

3. Costs of suit.

In 2017, the Parent Company received a copy of defendant PBAC's Notice of Appeal on the ground that the Decision are supposedly not in accord with the facts established by evidence on record and are contrary to law. The Parent Company then received a copy of the Court's Order giving due course to the Notice of Appeal and directing the transmittal of the records of the case to the Court of Appeals for proper disposition.

- *CA G.R. CV No. 109088, Court of Appeals (CA), Manila, Special Fifteenth (15th) Division*

In 2017, plaintiff-appellee the Parent Company received a letter dated from the Court of Appeals, which noted a deficiency in the original records of the case transmitted by the trial court to the Court of Appeals, specifically, the unsigned Transcript of Stenographic Notes and directing the Clerk of the Court of the trial court to cure said defect within ten (10) days from notice.

In 2018, plaintiff-appellee the Parent Company received a copy of the Notice to File Brief issued by the Honorable Court, requiring defendant-appellant PBAC to file its Appellant's Brief within forty-five (45) days from notice and giving plaintiff-appellee the Parent Company the same period from receipt thereof within which to file the Parent Company's Brief. Likewise, defendant-appellant PBAC was given twenty (20) days from receipt of plaintiff-appellee the Parent Company's Brief within which to file its Reply Brief.

In 2019, plaintiff-appellee the Parent Company filed its Appellee's Brief, in response to the defendant-appellant PBAC brief, through counsel with the Court of Appeals, 7th Division through registered mail.

On October 9, 2020, the Parent Company received the CA Decision dated September 24, 2020, which favorably dismissed the appeal of PBAC and affirmed the RTC decision dated December 7, 2016 but reduced the interest rate from 12% to 6% per annum reckoned from November 21, 2001 until the finality of the judgment and until its full satisfaction.

On November 3, 2020, PBAC filed motion for reconsideration which was denied by the CA on its Resolution dated June 1, 2021. On July 9, 2021, the Parent Company received the CA's Resolution dated June 4, 2021, rectifying the Resolution dated June 1, 2021, to reflect the true import and meaning of the CA Decision.

- *G.R. No. 256680, Supreme Court (SC), Manila, Third (3rd) Division*

On July 30, 2021, PBAC filed its Petition for Review on Certiorari dated July 27, 2021, praying for the reversal and setting aside of the CA Decision and CA Resolutions.

On November 29, 2021, the Parent Company received a copy of the SC's Resolution dated October 11, 2021, which, among others, denied the Petition for Review on Certiorari for failure to sufficiently show any reversible error in the assailed judgment to warrant the exercise of the SC's discretionary appellate jurisdiction.

On December 20, 2021, the Parent Company received a copy of PBAC's Motion for Reconsideration (MR) dated December 6, 2021.

On March 20, 2023, the Parent Company received the PBAC's Supplemental MR dated March 6, 2023, which claimed that the Parent Company's non-disclosure of co-insurance prevents the claims, a matter which was not raised in its MR.

On August 18, 2023, the Parent Company received a Resolution from the SC ordering the Parent Company to file its Comment to the MR filed by PBAC.

On September 7, 2023, the Parent Company filed a Comment/Opposition on the MR filed by PBAC on December 6, 2021, and on the Supplemental MR filed on March 6, 2023.

On October 20, 2023, the Parent Company received a copy of PBAC's Motion to File and Admit Reply dated October 9, 2023.

As of reporting date, based on the Parent Company's legal counsel's review of the pleadings filed by the parties involved and the issuances of the courts, it appears that there are strong grounds for the denial of the Motion for Reconsideration and Supplemental Motion for Reconsideration since PBAC merely raised its old arguments in the Appellant's Brief, which the CA already denied in the CA decision.

b. Legal Cases involving OPI:

In the Matter of the Application for Approval of the Power Supply Agreement (PSA) between ORMECO and OPI with Prayer for Issuance of Provisional Authority (PA), ERC Case No. 2011-017 RC

On June 21, 2016, the ERC issued its Decision approving the PSA between ORMECO and OPI for the Modular Bunker Fuel-Fired Power Plant in Calapan City subject to the condition that the approved rates shall be ₱2.0931/kWh (pre-maximization) and ₱1.9686/kWh (post-maximization) as opposed to the PSA generation rate of ₱2.95/kWh.

On October 17, 2016, OPI filed an Omnibus Motion for Partial Reconsideration and for the issuance of a Status Quo Order to the ERC (Omnibus Motion). In its Omnibus Motion, OPI requested that the ERC should reconsider to (1) include the pre-operating expenses, contingency, permits/licenses and other development costs in ERC's computation of the total project cost as a component of the capacity fee and (2) use the historical average of the actual delivered energy instead of the contracted energy of 3,800,000 kWh/month and 4,939,200 kWh/month in fixing the billing determinants. In the Omnibus Motion, OPI prayed for the issuance of a Status Quo Order enjoining the ORMECO and National Power Corporation to observe the status prevailing prior to the issuance of the Decision dated June 21, 2016.

In response, the ERC issued a Status Quo Ante Order on June 6, 2017 deferring the implementation of the approved generation rates for a period of no more than six (6) months or until the issues raised in OPI's Motions have been resolved. The ERC has extended the Status Quo Order until September 5, 2019 to review further the case in view of the discrepancies of the rate components prescribed under the PSA and the presented in the Omnibus Motion.

On June 8, 2020, OPI received ERC's Order dated September 3, 2019, partially granting OPI's Motion for Reconsideration and Supplementary Motion for Consideration and pronounced the basic tariff rate, net of fuel, of ₱2.2959 (pre-maximization) using the contracted energy of 3,800,000 kWh/month and ₱2.1522 (post-maximization) using the contracted energy of 4,939,200 kWh/month.

In the said Order, ERC also directed OPI and ORMECO to file recovery and refund schemes based on the final rates approved. OPI filed its Manifestation with the ERC recognizing the above-mentioned rates on June 23, 2020, and also filed its Notice of Compliance on July 8, 2020, detailing the recovery and refund scheme.

On January 22, 2021, OPI filed a Motion for Clarification dated January 14, 2021, seeking to clarify or confirm whether the indexation per approved adjustment formula in the Decision dated June 21, 2016, remains applicable in computing the operation and maintenance (O&M) fees. In addition, OPI requested ERC to require NPC to settle the unpaid portion of OPI's billed O&M fees pertaining to adjustment, with interest from the time it was unilaterally withheld until full payment is made, considering that OPI was detrimentally affected by the act of NPC, and has resorted to borrowings to finance its continuous operation. OPI is still awaiting reply from ERC.

Additionally, on April 15, 2021, OPI filed a Comment to ORMECO's Compliance Ad Cautelam dated July 28, 2020, and prayed that the same be duly considered in the resolution of OPI's Recovery Scheme submitted to implement ERC Order dated September 3, 2019.

On October 24, 2022, OPI wrote a Letter-Request to the ERC for Notice of Finality. OPI asserted that, based on records, no appeal from the September 3, 2019 Order was filed by any of the parties within the reglementary period. Thus, applying the relevant provisions of the ERC's Rules of Practice and Procedure the Decision dated 21 June 2016 has already become final and unappealable. In view of the foregoing, OPI requested the Honorable Commission for the issuance of a Notice of Finality of its Decision in ERC Case No. 2011-017 RC.

Also, on January 27, 2023, OPI filed a Reply with Motion to Resolve before the ERC. OPI alleged the following:

a. NPC has already prematurely implemented the reliefs being prayed for pre-empting the Honorable Commission's ruling;

b. In doing so, NPC seemed to disregard the Honorable Commission's mandate as the sole approving authority to grant rates, including appropriate adjustment and/or indexation thereof;

c. In its letter to NPC dated 26 January 2022, ERC said that NPC's inclination to suspend approved rates pending prior approval from the Honorable Commission was inappropriate and without legal basis, and that NPC should refrain from continuing its act of withholding payments absent any formal ruling of the Commission thereon;

d. O&M Fees are subject of indexation/adjustment:

1. The adjustment/indexation of the O&M Fees is mutually agreed upon by OPI and ORMECO under their PSA;

2. The adjustment/indexation was approved by the Honorable Commission in its 2016 Decision;

3. OPI did not seek reconsideration of the O&M Fees, not being part of its Omnibus Motion for Partial Reconsideration, which was resolved in the 2019 Order. Further, the 2019 Order did not order OPI to discontinue the previously approved indexation/adjustment of the O&M Fees;

4. Subjecting the O&M Fees to the approved adjustment formula is also in accordance with Section 43 (f) of the Electric Power Industry Reform Act of 2001 ("EPIRA") providing that rates must be such as to allow the recovery of just and reasonable costs to enable the entity, in this case OPI, to operate;

5. Adjustment/indexation is in line with the ERC's policy of allowing indexation of O&M Fees owing to its nature as recurring expenses in the operation of power plant facilities. By directly collecting from OPI, NPC conveniently failed to mention the fact that ORMECO has yet to pay its obligation to OPI and that, in turn, OPI can only fulfill its financial obligations to NPC once OPI receives payment from ORMECO.

e. OPI prayed that its Motion for Clarification dated 14 January 2021 be resolved.

On June 6, 2023, OPI prayed that the instant Urgent Motion for Resolution be duly approved and OPI's Motion for Clarification dated January 22, 2021, be immediately resolved. On June 20, 2023, NPC prayed for the resolution of its Manifestation and Motion dated June 25, 2020, and OPI's Motion for Clarification dated January 14, 2021. On December 24, 2023, OPI prayed that the 2nd Urgent Motion for Resolution be duly considered and approved, and OPI's Motion for Clarification filed on January 22, 2021, be immediately resolved through the issuance of an Order on the following:

1. Clarifying that OPI's O&M Fees are subject to indexation/adjustment as per approved adjustment formula under the 2016 Decision; and

2. Directing NPC to settle all the unpaid portions of OPI's billed O&M Fees pertaining to the withheld adjustment amounting to ₱86.2 million as of September 25, 2023, and counting, plus interest from the time it was unilaterally withheld until the full payment and/or resolution thereof.

As of March 21, 2024, OPI is waiting for the ERC Order resolving the respective motions of the parties as well as the resolving the Refund/Recovery Scheme. The amount to be refunded and/or recovered depends on several variables including but not limited to, indexation and recovery period that are parties yet to be clarified and confirmed by the ERC for implementation by the OPI, ORMECO and NPC. Accordingly, neither asset nor liability was recognized as at December 31, 2023 and 2022.

In the Matter of the Approval of the Power Supply Agreement (PSA) between ORMECO and OPI with Prayer for Issuance of Provisional Authority (PA), ERC Case No. 2013-212 RC

On January 20, 2014, the ERC issued a PA on ERC Case No. 2013-212 RC with ₱5.90/kWh tariff rate. In addition, on January 12, 2015, ERC again issued another Order extending said provisional authority.

On December 22, 2021, OPI filed an Entry of Appearance with Omnibus Motions and Submission of Actual Costs dated December 16, 2021, relative to ERC's Resolution No. 02, Series of 2015 requiring the joint filing of applications for approval of PSAs by Distribution Utilities and Generation Companies. OPI joins ORMECO as a party in the application. Additionally, in the same motion, OPI requested that:

a. counsel's Entry of Appearance for OPI be duly noted;

b. that the Omnibus Motions requesting the immediate, final resolution of the Application, reflecting therein inflation and foreign exchange variations, and exemption from electronic filing under RC Resolution No. 09, Series of 2020 be approved;

c. that the Submission of its Actual Costs, including the attached exhibits, be duly admitted and considered in the final evaluation of the instant case; and

d. that a Decision approving the subject PSA between ORMECO and OPI, particularly the proposed rate of ₱6.00/kWh, with the ERC's customarily approved/existing adjustment mechanisms for hydropower plants, be immediately issued.

On February 14, 2023, ERC issued an Order directing the Company to submit the following: (i) Justification/Supporting Documents for the proposed Consumer Price Index (CPI) Adjustment; (ii) Water Permit from the National Water Resources Board (NWRB); and (iii) Board of Investment (BOI) Certificate of Registration with attached Terms and Conditions. On March 26, 2023, OPI filed a Notice of Compliance and submitted the following:

a. Memo on Inflationary Adjustments on O&M to justify the proposed adjustment/indexation to address inflation and foreign exchange fluctuations together with the AFS for 2019 to 2021;

b. Water Permit from NWRB; and

c. BOI Certificate of Registration with Terms and Conditions.

On April 12, 2023, OPI filed a Verified Motion and prayed that Order be issued by the Honorable Commission:

a. To amend its directive of using fair market value for the transfer of the Calangatan Switchyard to NPC-SPUG; instead, the acquisition cost be used in the transfer of the Calangatan Switchyard;

b. In the alternative, should such transfer be based on fair market value, to QUALIFY that "fair market value of the Calangatan Switchyard be based on commissioning date" bereft of depreciation.

As of March 21, 2024, OPI is currently waiting for the issuance of the Decision approving the PSA and its rates and adjustments (final authority) for IMHPP.

30. Prior Period Adjustment

The consolidated financial statements have been restated to retrospectively effect the change in accounting policy on the Group's land and improvements, building and improvements, and power plant facilities and equipment under "Property, plant and equipment" from revaluation model to cost model. The following is the summary of the financial impact of the restatement to the Group's consolidated financial statements.

	Property, Plant and Equipment	Deferred Tax Liabilities	Retained Earnings	Other Comprehensive Income	Non-controlling Interests	Net Income	Total Comprehensive Income
As at and for the year ended December 31, 2022, as previously reported	₱3,639,243,028	₱352,221,819	₱1,923,422,933	₱300,420,355	₱816,277,692	₱235,888,235	₱235,389,608
Derecognition of revaluation surplus of land and improvements, building and improvements, and power plant facilities and equipment	(143,325,126)	(26,580,476)	12,067,799	(107,109,831)	(21,702,618)	13,800,602	13,800,602
As at and for the year ended December 31, 2022, as restated	₱3,495,917,902	₱325,641,343	₱1,935,490,732	₱193,310,524	₱794,575,074	₱249,688,837	₱249,190,210
As at and for the year ended December 31, 2021, as previously reported	₱3,732,716,731	₱344,265,695	₱1,756,772,257	₱300,918,982	₱747,040,133	₱423,182,185	₱500,327,325
To derecognize revaluation surplus of land and improvements, building and improvements, and power plant facilities and equipment	(161,725,928)	(31,180,676)	3,692,851	(107,109,831)	(27,128,272)	4,373,565	(46,231,038)
As at and for the year ended December 31, 2021, as restated	₱3,570,990,803	₱313,085,019	₱1,760,465,108	₱193,809,151	₱719,911,861	₱427,555,750	₱454,096,287

**INDEPENDENT AUDITORS REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
4/F 20 Lansbergh Place Bldg.
170 Tomas Morato Ave. cor. Scout Castor St.
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES (the "Group") as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated March 21, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 and no material exceptions were noted.

REYES TACANDONG & CO.

WILSON P. TEO
Partner
CPA Certificate No. 92765
Tax Identification No. 191-520-944-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-014-2023
Valid until January 24, 2026
PTR No. 10072414
Issued January 2, 2024, Makati City

March 21, 2024
Makati City, Metro Manila

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023

Below is a schedule showing financial soundness indicators of the Group as at and for the years ended December 31, 2023 and 2022.

Ratio	Formula	**2023**	2022
Current ratio			
	Current assets	**₱1,454,025,604**	₱1,212,640,231
	Divided by current liabilities	**2,229,440,517**	2,077,589,795
	Current Ratio	**0.65**	0.58
Quick ratio			
	Current assets - inventory	**₱1,426,311,638**	₱1,189,523,990
	Divided by current liabilities	**2,229,440,517**	2,077,589,795
	Quick Ratio	**0.64**	0.57
Solvency ratio			
	Net income before depreciation and amortization	**₱729,556,793**	₱428,310,762
	Divided by total liabilities	**3,203,900,390**	3,171,179,467
	Solvency Ratio	**0.23**	0.14
Interest coverage ratio			
	Earnings before interest and taxes	**₱716,035,252**	₱368,834,091
	Divided by interest expense	**99,391,388**	96,902,794
	Interest Coverage Ratio	**7.20**	3.81
Debt-to-equity ratio			
	Total liabilities	**₱3,203,900,390**	₱3,171,179,467
	Divided by total equity	**3,597,744,490**	3,205,688,438
	Debt-to-Equity Ratio	**0.89**	0.99
Asset-to-equity ratio			
	Total assets	**₱6,801,644,880**	₱6,376,867,905
	Divided by total equity	**3,597,744,490**	3,205,688,438
	Asset-to-Equity Ratio	**1.89**	1.99
Return on equity			
	Net income attributable to equity holders of the Parent Company	**₱404,839,996**	₱175,025,624
	Divided by average equity	**3,401,716,464**	3,081,093,333
	Return on Equity	**11.90%**	5.68%
Return on assets			
	Net income attributable to equity holders of the Parent Company	**₱404,839,996**	₱175,025,624
	Divided by average total assets	**6,589,256,393**	6,205,557,033
	Return on Assets	**6.14%**	2.82%

Ratio	Formula	2023	2022
Net profit margin			
	Net income attributable to equity holders of the Parent Company	**₱404,839,996**	₱175,025,624
	Divided by revenue	**1,747,324,363**	1,448,011,713
	Net Profit Margin	**23.17%**	12.09%
Gross profit margin			
	Gross profit	**₱683,825,492**	₱447,408,091
	Divided by revenue	**1,747,324,363**	1,448,011,713
	Gross Profit Margin	**39.14%**	30.90%
Price/earnings ratio			
	Price per share	**₱8.96**	₱6.11
	Divided by earnings per common share	**1.44**	0.62
		6.22	9.85

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
4/F 20 Lansbergh Place Bldg.
170 Tomas Morato Ave. cor. Scout Castor St.
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES (the "Group") as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated March 21, 2024.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Reconciliation of Parent Company's Unappropriated Retained Earnings Available for Dividend Declaration as at December 31, 2023
- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code Rule 68, as at December 31, 2023
- Conglomerate Map as at December 31, 2023

These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. The information in these supplementary schedules have been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

WILSON P. TEO
Partner
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March 21, 2024
Makati City, Metro Manila

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023

JOLLIVILLE HOLDINGS CORPORATION

4/F 20 LANSBERGH PLACE BLDG. 170 TOMAS MORATO AVE.COR. SCOUT CASTOR ST. QUEZON CITY

Unappropriated retained earnings, beginning of reporting period		₱372,416,546
Net income for the current year		28,404,949
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value gain of investment properties		(30,470,325)
Add: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)		
Realized fair value of investment properties		28,884,000
Adjusted net income		26,818,624
Add/less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	4,855,233	
Net movement in deferred tax liabilities related to fair value gain of investment properties	(7,221,000)	(2,365,767)
Total retained earnings, end of the reporting period available for dividend		**₱396,869,403**

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II of SRC RULE 68 AS AMENDED
DECEMBER 31, 2023

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule C
Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements
DECEMBER 31, 2023

Name of Related Parties	Balance at Beginning of Year	Balance at End of Year
Philippine Hydro Electric Ventures Inc. and a subsidiary	₱60,841,763	₱53,341,763
Ormina Realty & Development Corp.	11,893,631	12,523,358
2Big Philippines Inc. and subsidiaries	4,431,610	8,413,061
Servwell BPO International Inc.	13,266,088	10,471,531
Jollideal Marketing Corporation	10,327,649	10,449,767
Jolliville Group Management Inc.	3,547,781	2,800,509
Ormin Holdings Corporation and subsidiaries	163,808,932	56,443,993
Jolliville Holdings Corporation	23,160	17,606
	₱268,140,614	₱154,461,588

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule D

Noncurrent Marketable Securities, Other Long-Term Investments in Stock and Other Investments
DECEMBER 31, 2023

Name of issuing entity and the description of investment	Number of shares or principal amount of securities	Amount in pesos	Equity in net losses of investee for the period	Excess of equity in net loss over cost	Others	Other Number of shares or principal amount of securities	Amount in pesos*	Dividends received from investment not accounted by equity method
Metro Agoo Waterworks Inc. (Investment in Associate)	4,800,000	₱4,800,000	(₱10,906,308)	₱–	–	–	₱–	–
Jolliville Leisure & Resort Corporation (Financial Asset at FVOCI)	14,500,000	14,500,000	50,543,003	65,043,003	–	–	65,043,003	–
Granville Ventures Inc. (Financial Asset at FVOCI)	500,000	500,000	51,093,378	51,593,378	–	–	51,593,378	–

**Amount shown is part of Investment in Unquoted Shares account in the Consolidated Statements of Financial Position.*

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule G
Long-Term Debt
DECEMBER 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Total Outstanding Loans Payable	Interest Rate	Number of Monthly Installment
Ormin Power Inc.						
Bank loan (DBP)	₱1,260,734,413	₱202,586,768	₱513,101,212	₱715,687,980	6.00% - 6.50%	105 – 114
Bank loan (DBP)	90,571,200	10,869,567	6,340,581	17,210,148	9%	114
Bank loan (MBTC)	1,200,000	263,324	–	263,324	9.18%	60
Bank loan (MBTC)	854,071	265,956	525,266	791,222	8.07%	36
Bank loan (RCBC)	722,400	47,944	–	47,944	14.02%	36
Calapan Waterworks Corporation						
Bank loan (DBP)	118,250,000	14,643,996	–	14,643,996	6.00% - 7.00%	26 – 40
	₱1,472,332,084	₱228,677,555	₱519,967,059	₱748,644,614		

Note: The terms, interest rate, collaterals and other relevant information are shown in Note 14 of the Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

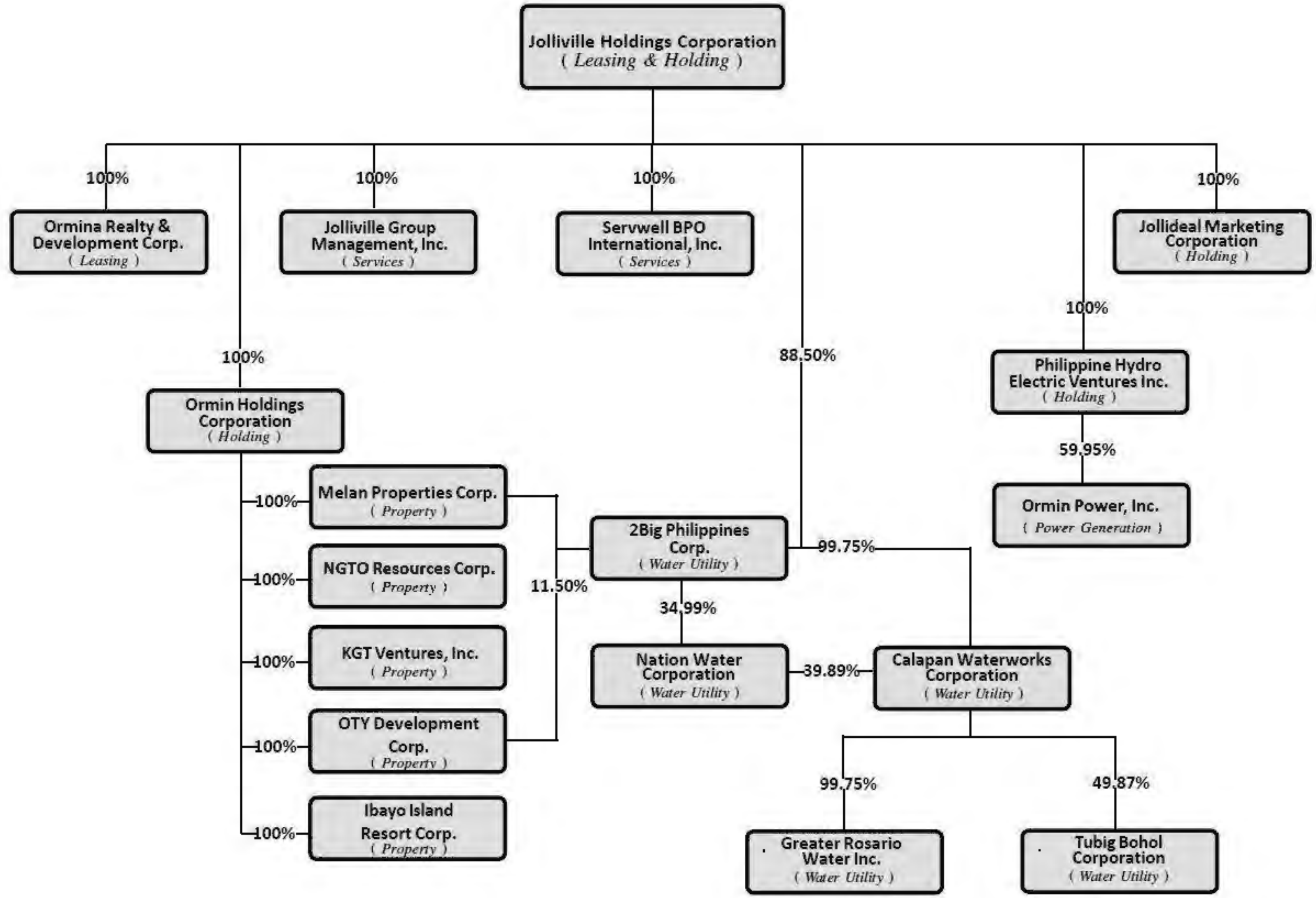
Schedule J - Capital Stock
DECEMBER 31, 2023

				Deductions		
Title of issue	***Number of shares authorized***	***Number of shares issued and outstanding as shown under the related statement of financial position caption***	***Number of shares reserved for options, warrants, conversion and other rights***	***Related parties***	***Directors, officers and employees****	***Others***
Common Stock	1,000,000,000	281,500,000	–	175,799,491	9,310,003	96,390,506

**includes indirectly held but beneficially owned shares*

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP
DECEMBER 31, 2023



SUSTAINABILITY

REPORT

Contextual Information

Company Details	
Name of Organization	Jolliville Holdings Corporation
Location of Headquarters	*Principal Place of Business*: 4th Floor 20 Lansbergh Place Bldg., 170 Tomas Morato Ave., cor. Sct. Castor St., Quezon City
Location of Operations	I. Holding II. Leasing III. General Management Services IV. Business Process Outsourcing Services Location of Operations of I-IV is at 4th Floor 20 Lansbergh Place, 170 Tomas Morato Avenue, Quezon City V. Water Utility A. Strong Republic, Nautical Hi-way, Bayanan 1, Calapan City, Oriental Mindoro B. Czare Building, Provincial Road, Magsaysay, Tabuk City, Kalinga VI. Energy and Power A. 9.6 MW Diesel Power Plant Barangay Sta. Isabel, Calapan City, Oriental Mindoro B. 10 MW Mini-Hydro Power Facility Municipality of San Teodoro, Oriental Mindoro
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This report involves the business operations of the Group: 1. Parent Company Jolliville Holdings Corporation (JOH) 2. Subsidiaries a. Calapan Waterworks Corporation (CWWC) b. Ormin Power Inc. (OPI)
Business Model, including Primary Activities, Brands, Products, and Services	The Parent Company operates as a Holding company while subsidiaries focus on real property business, general management and business process outsourcing, water utility and power generation..
Reporting Period	December 31, 2023
Highest Ranking Person responsible for this report.	Ortrud T. Yao, Chief Finance Officer

******If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
Materiality is set taking into consideration the sources of the Group revenues. Materiality is set at 10% of the Group revenues.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,668,278,002	PhP
Direct economic value distributed:		
a. Operating Costs	86,498,631	PhP
b. Employee wages	47,478,558	PhP
c. Payments to suppliers, other operating costs	996,446,041	PhP
d. Dividends given to stockholders and interest payments to loan providers.	99,391,388	PhP
e. Taxes given to government	10,534,235	PhP
f. Investments to community (e.g. donations, CSR)	1,826,998	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which Stakeholders are affected?	Management Approach
Group's net income for the year ended December 31, 2023 has significant increase which is mainly due to increase in the fair market value gain on real properties and the cash incentive rate differential from 2019 – 2021 collected by OPI from Power Sector Assets and Liabilities Management (PSALM).	Stockholders and Employees	Management set to have its investment properties reviewed and visited by 2024.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Climate	Shareholders, Employees, and Government	The Company monitors weather forecasts and patterns as climate conditions such as El Nino adversely affect power generation of OPI's hydroelectric power plant and could potentially disrupt the water supply of CWWC. Extreme weather conditions such as typhoon may also

		damage power plant infrastructure and equipment. Annual maintenance is done in order to ensure that the power plants are secure and can withstand the usual typhoons. Moreover, to provide quality services and sustainable solutions to its customers, the company's water utility constructs various development projects.
Higher fuel prices	Shareholders, Customers and Government	Management is negotiating with its fuel suppliers to ease the credit terms given to OPI.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
New service areas for water utility and New service contracts for power generation	Shareholders, Employees, Government and the Public	Management is constantly conducting research and studies potential new service areas and new power sources.

Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the Organization's governance around climate-related risks and opportunities	*Disclose the Actual and potential impacts of climate-related risks and opportunities on the organization's business strategy, and financial planning where such information is material*	*Disclose How the organization identifies, assesses, and manages climate-related risks*	*Disclose the Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material*
Recommended Disclosures			
a) The BOD through its Board Risk Oversight Committee (BROC) oversees the climate-related risks and opportunities. It ensures that a special meeting or regular meeting is held and that these risks and opportunities are being discussed.	a) The climate-related issues relevant to the Company are the erratic climate conditions and weather disturbances that may affect the operations of the company's water utility and Inabasan power facility.	a) The Company identifies key risk areas and monitors these factors with due diligence, including the establishment of a sound enterprise risk management framework to monitor, assess, and manage climate-related risks.	a) The BROC and the management evaluate the climate-related risks and opportunities by determining their impact in the business operations of the Company.
b) BROC shall be responsible in the assessments of climate-related risks.	b) The impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning are reduction in revenue, impairment of	b) The Company manages its climate-related risks and opportunities in the same manner as provided above.	b) JOH shall aim to incorporate the climate-related risks and opportunities on its enterprise risk management system in order to establish the

	assets, or increase in capital expenditures for possible rehabilitation of the Company's facilities.		targets in managing the unpredictability of climate-related risks and opportunities and performance against targets and minimize potential adverse impact on its operating performance and financial condition.
	c) The Company has experienced difficulties in the past yet shown resilience over the risks brought about by weather disturbances such as typhoon, flooding, and even during summer time. The capacity of the Company to overcome the climate-related risks and opportunities needs further improvement in order to develop strategies.	c) While climate-related risks have not yet been included in the Company's risk management system, the Company practices identification and evaluation of the climate-related risks and opportunities.	

Procurement Practices

Proportion of spending local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	98	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which Stakeholders are affected?	Management Approach

The procurement practices occur in the business operations of the Company within which it maintains a good business relationship with its suppliers. The Company's procurement involves locally based suppliers which is advantageous to the Company as it: 1. offers flexibility on changes in the materials as it is quickly being adjusted and delivered; 2. ensures all the products and materials meet the required specifications since the suppliers can visit the plant; and 3. entails minimal logistics cost.	Employees, Suppliers, and Government	1. Optimum level of inventory is properly observed 2. Plant visit and testing are regularly conducted 3. Ensures that reorder point is properly established and followed
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Close supplier and customer relationships can lead to issues with ethical supplier selection.	Employees and Suppliers, Shareholders	Management sets levels of approval to mitigate possible collusion and fraud in the procurement process. Alternate quotations from other qualified suppliers are required before awarding to a particular supplier. Management reviews supplier performance periodically. Procurement contracts are also evaluated before renewals are negotiated.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Good procurement practices ensure that value is created within the supply chain.	Employees, Suppliers and Government and Shareholders	Same as above.

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	0	**%**
Percentage of directors and management that have received anti-corruption training	0	**%**
Percentage of Employees that have received anti-corruption training	0	**%**

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
JOH has imposed Conflict of Interest guidelines wherein everyone is duty bound, under the penalty of perjury, to disclose fully their existing business interests, personal activities or relationships that may directly or indirectly conflict with the performance of their intended duties and responsibilities. The Board determines whether each person's business interests, personal activities or relationships result in conflict with the duties and responsibilities in the Company. All employees shall conduct fair business transactions with the Company and ensure that his personal interests do not conflict with the interests of the Company.	Suppliers, Employees, Shareholders, Government	The Company shall establish a comprehensive policy and procedure on anti-corruption and disseminate the same to the company's directors, officers, employees, and key consultants (collectively, the "Personnel").
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The risks identified are loss of assets, loss of sales or customers, higher costs due to corruption, and reputational risk.	Stakeholders affected are the Company, Employees, Suppliers, and the Government.	The Company shall resolve corruption issues internally and shall attend to reports of corruption with prudence and justice.

What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Company's business operations will be more profitable once anti-corruption policies and procedures are communicated to the personnel and trainings are provided as the Company shall not incur losses for paying any possible fines and penalties on account of corrupt practices.	Company, Employees, Shareholders, Suppliers, and the Government	JOH shall draft an anti-corruption policy and conduct proper training to its employees. The Company shall also align its anti-corruption policy to its Corporate Governance Manual.

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	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which Stakeholders are affected?	Management Approach
Not material		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	-	GJ
Energy consumption (SFO)	455,486	GJ
Energy consumption (gasoline)	-	GJ
Energy consumption (LPG)	-	GJ
Energy consumption (diesel)	4,676	GJ
Energy consumption (electricity)	4,187,344	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (gasoline)	-	GJ
Energy consumption (LPG)	-	GJ
Energy consumption (diesel)	-	GJ
Energy consumption (electricity)	-	GJ
Energy consumption (gasoline)	-	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Uninterrupted supply of energy in our water utility business is necessary to ensure continuous water supply to our customers.	Company, Employees, Shareholders, Community, and Government	• All well sites have full back up power generators to ensure continuous supply of water even during blackouts.
What are the Risk/s Identified?		
Irresponsible consumption of energy is wasteful.	Shareholders	• During break hours, employees are accustomed to switching off the lights in their respective work places or offices. • Proper use and regular preventive maintenance of electrical and fuel devices, vehicles, and other equipment are practiced.

What are the Opportunity/ies Identified?		
During the pandemic, there was a significant reduction in transportation costs incurred by the company.	Shareholders and Employees	Management will continue to hold meetings through video conferencing where practicable. Management will look for ways to counteract the effect of rising fuel prices which affect the Company's workforce on a daily basis.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	-	Cubic meters
Water consumption	2,007	Cubic meters
Water recycled and reused	115	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Water consumption of the group is not material.		
What are the Risk/s Identified?		
Not material		
What are the Opportunity/ies Identified?		
Not material		

Materials used by the organization

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not material to the Company since it does not mainly engage in products manufacturing.		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		

Ecosystem 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	0	
Habitats protected or restored	0	Ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	0	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not material		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes Co2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes Co2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes Co2e

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not material		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not material		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not material		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not material		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	2,539	Kg
Reusable	505	Kg
Recyclable	502	Kg
Composted	1,512	Kg
Incinerated	-	Kg
Residuals/Landfilled	20	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Cleanliness and reduction of pollution that will affect health and other ecological factors. The organization's involvement is direct such that cleaning of surroundings is done everyday.	Employees, Communities, and Government	The Company practices proper waste management like imposition of segregation of waste and disposal. It ensures that all wastes are being recycled and reused and only small amount is being disposed.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Solid wastes can cause clogging of canals and irrigation. They can create water pollution and unwanted toxic substances that are threats to human's health and the environment.	Employees, Communities, and Government	This is discussed in the same manner as provided above.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Scraps such as other recyclable materials can be used again and/or can be sold. This will lessen the Companies waste disposal.	Employees, Communities, and Government	This is discussed in the same manner as provided above.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	177	L
Total weight if hazardous waste transported	32	L

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Hazardous waste mismanagement causes negative impacts not only to human but also to environment. It causes pollution contamination, or even leachate.	Employees, Community, and Government	•Regular transport and treatment through treating facility •To minimize the generation of hazardous waste •Proper labeling and storage.
What are the Risk/s Identified?	**Which stakeholders are affected?**	
Potential risks such as fires, explosions, spills, exposure of toxic chemicals, and reactions pose threats to employees and other people around the area. Injuries and unfortunately even deaths, can result from mishandling hazardous waste.	Employees, Community, and Government	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There are no significant opportunities Identified.	Employees, Community, and Government	Discussed in the same manner as provided above.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	7,001,028	m^3
Percent of wastewater recycled	0	Rate

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Environmental conditions arising from inadequate or non-existing wastewater management pose significant threats to employees' health, well-being, and economic activity.	Employees, Shareholders, Customers, Community	•Wastewater management and sustainable development •Continuous practice of water recycling
What are the Risk/s Identified?		
Wastewater may contain number of pollutants and contaminants that can cause health and environmental problems and can cause economic or financial impacts, *i.e.*, increased treatment costs to make water usable for certain purposes.		
What are the Opportunity/ies Identified?		
Treated wastewater reuse will attribute to additional revenue and less costs.		

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	-	**PHP**
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	-	
No. of cases resolved through dispute resolution mechanism	-	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not material.		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No risks identified		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No opportunities identified.		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[18]	142	#
a. Number of female employees	36	#
b. Number of male employees	106	#
Attrition rate	5%	Rate
Ratio of lowest paid employee against minimum wage	No available ratio yet	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	7%	1%
Vacation Leaves	Y	14%	14%
Sick Leaves	Y	8%	5%
Medical Benefits (aside from Philhealth)	Y	3%	3%
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	N		
Further education support	N		
Company stock options	N		
Telecommuting	N		
Flexible-working hours	N		
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Company believes that the employees are valuable assets and instruments to the realization of the company's goals and success. It also understands that a contented and motivated employee has a higher probability of making significant contributions to the organization.	JOH values its employees and recognizes the importance of providing them appropriate benefits. It abides by the labor standards laws and all government mandated contributions are being paid on time. JOH provides training programs and seminars to employees that could further improve and enhance their personality and knowledge in their respective fields. Before the pandemic, the company provides a "jolly workplace fellowship program" that includes spiritual and social bonds and monthly celebration of employees' birthday. During the pandemic years, the company restricted activities that require face to face interactions to mitigate efforts against the virus. This year,

	the company brings back the "jolly workplace" that caters various activities that aims to promote a healthy work life balance and serves as opportunity for the company to discover its employees' hidden talents and skills. Some of this year's activities are bowling night, creative photo contest, spelling bee contest, and recycled christmas decoration contest.

What are the Risk/s Identified?	Management Approach
Low quality of hires and higher attrition rate may lead to project delays and overworked employees, which could cause higher occupational injuries and illnesses. The Company also identifies demotivation and demoralization as factors for employees' inefficiency and dishonesty.	The hiring process and Company's motivation aspect is very much an indicator of how well the entire process works within the Company. The Company will continue to seek further enhancement in its current system to become more efficient.
What are the Opportunity/ies Identified?	
Lower attrition and lower risks possibilities will be experienced if the employees are heard, valued and given a safe, motivating workplace.	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female Employees	0	Hours
b. Male Employees	0	Hours
Average Training hours provided to employees		
c. Female Employees	0	hours/employee
d. Male Employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Training is one of the most important means of learning and skill development for employees. The Company hold various online seminars wherein employees learned to assess and recognize their knowledge and skills and also their strengths and weaknesses. This also helped employees to develop interpersonal relationships.	JOH maintains policy and data relating to sponsored training programs and seminars given to employees. The Company strives to provide relevant trainings and activities that enhance employee relations, skills and performance.
What are the Risk/s Identified?	
No risks identified.	
What are the Opportunity/ies Identified?	
Improved employee performance and morale are experienced after successful exercises. Employees' competitiveness is developed through proper coaching and collaboration within the organization. Work redundancy within the organization is reduced, if not eliminated.	

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	#

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
JOH contributes to the growth of the employment rate in the country and empowerment of its employees.	Constant communication with every employee is being sustained.
What are the Risk/s Identified?	
Not material	
What are the Opportunity/ies Identified?	
Not material	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	25	%
% of male workers in the workforce	75	%
Numbers of employees from indigenous communities and/or vulnerable sector*	0	#

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

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company observes equal opportunity and workplace diversity as this will benefit not only the company but also contribute to the employment rate in the country and sustain healthy relationships with employees.	The Company standardizes its hiring process to make sure that the best person for a job or a promotion is the person who earns that position based on qualifications, knowledge and experience. The Company does not discriminate based on gender, marital status, age nor health condition and instills a culture of acceptance and collaboration.
What are the Risk/s Identified?	
None.	
What are the Opportunity/ies Identified?	
A non-discriminatory work place leads to increased productivity, low employee turnover and a secure work environment.	

Workplace Conditions, Labor Standards, and Human Rights

Occupational health and Safety

Disclosure	Quantity	Units
Sale Man-Hours	0	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	1	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company aims to provide quality and timely health and welfare services to its employees in order to avoid interruption on their jobs and to prevent conditions (physical, mental or social) that will preclude them from giving their full attention to their work.	JOH continuously seeks opportunities and means to improve the implementation of the safety measures that will benefit not only the Company but also the employees.
What are the Risk/s Identified?	
Failure to maintain a healthy and safe working environment may hamper the Company's business operations and will lead to delays in deliveries of service caused by accidents or illnesses.	
What are the Opportunity/ies Identified?	
Injuries, accidents, and illnesses are minimized if a healthy working environment is in place.	

Labor Laws and Human Rights

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

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced Labor	N	
Child Labor	N	
Human rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
JOH complies with labor laws and does not hire minors and nor allow forced labor. The Company has no formal policy on human rights.	The Company shall establish a formal policy on human rights and incorporate the same with its existing policies.
What are the Risk/s Identified?	
Not material	
What are the Opportunity/ies Identified?	
Not material	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link the policy:
The Company has no supplier accreditation policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	The Company has not yet established a supplier policy.
Forced Labor	Y	
Child Labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company has not yet established a supplier accreditation policy.	JOH shall consider establishing supplier accreditation policy.
What are the Risk/s Identified?	
Establishing an accreditation procedure may, in some cases, be counterproductive as it may favor suppliers who have a good track record but not necessary offer the best price or service.	
What are the Opportunity/ies Identified?	
An accreditation process may reduce risks for the Company and facilitate better procurement lead times.	

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)	**Locations**	**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 measure (if negative) or enhancement measures (if positive)**
The Company maintains a harmonious relationship with our local host communities through many environmental, health, and awareness programs that we participate in. Since the Company is in the water utility and power generation industry, any interruption in supply may adversely affect the general public including the vulnerable groups within the community.	•Calapan Or. Mindoro •Province of Oriental Mindoro •Tabuk City, Kalinga	Indigenous People, Children and youth, Elderly, Persons with disabilities, People with diseases	Y	No Collective or individual rights have been identified	Ormin Power and Calapan Water conducts various CSR projects in conjunction with Likasdiwa Foundation Inc. Various community programs such as tree planting, mangrove reforestation, book donations, health campaigns are implemented based on relevant needs of the local community. Ormin Power also assists in feeding and educational programs involving Indigenous People. Water Supply interruptions are minimized and scheduled with prior advance notice to customers.

**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	-	#
CP secured	1	#

What are the Risk/s Identified?	Management Approach
Not material	
What are the Opportunity/ies Identified?	**Management Approach**
Not material	

Customer Management

Customer satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Formal structure is not available	No record available	N

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
Customer satisfaction contributes to building a long term partnership with the customers.	JOH aims to improve and strengthen the implementation of industry best practices in addressing customer satisfaction.
What are the Risk/s Identified?	
Customer’s dissatisfaction may lead to financial loss if it is not properly addressed.	
What are the Opportunity/ies Identified?	
While the services being provided meet the customer expectation, having a formal structure in place would help the Company gather data that is useful to address current and future customer concerns.	

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.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
There were no substantiated complaints from customers that went through the organization's formal communication channels and grievance mechanism nor were there complaints that were lodged to and acted upon by government agencies.	Service interruptions such as scheduled pipe flushing are property communicated to customers ahead of schedule through radio campaigns and SMS alerts.
What are the Risk/s Identified?	A regular bacteriological and chemical/physical test is being done to ensure that all of CWWC's water sources conform to the Philippine National Standards for Drinking Water (PNSDW).
Nonconformity to health standards will negatively affect customer satisfaction and well-being.	
What are the Opportunity/ies Identified?	
Full compliance to health standards ensure our customers safe potable water and contribute greatly to the health and wellness of the community.	

Marketing and Labeling

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 the government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not material	
What are the Risk/s Identified?	
Not material	
What are the Opportunity/ies Identified?	**Management Approach**
Not material	

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 the government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
There was no complaint nor reported any violation of customer's privacy. JOH is confident that customer's full trust and confidence on the Company is maintained.	The Company is in strict adherence of the Data Protection Act otherwise known as the "Data Privacy Act of 2012" protecting the fundamental human right of privacy and of communication while ensuring free flow of information to promote innovation and growth. JOH ensures at all times the confidentiality of any personal information gathered from its customers.
What are the Risk/s Identified?	
•Loss of Customer •The Company, employees or officers may face civil, administrative or criminal liabilities.	
What are the Opportunity/ies Identified?	
Protection of customer's data or sensitive information will allow the Company to have a stronger business ties with its customers.	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
Not material to JOH due to absence of substantiated complaint or reported violation of customer’s privacy.	Management shall train data front liners on proper data handling and continuously educate them on relevant provisions of the Data Privacy Act.
What are the Risk/s Identified?	**Management Approach**
The Company, employees or officers may face civil, administrative or criminal liabilities if found in violation of the Data Privacy Act.	Same as above.
What are the Opportunity/ies Identified?	**Management Approach**
Proper management of data increases customer satisfaction in the long term.	Same as above.

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
Services 1 Holding Leasing General Management Services Business Process Outsourcing Services	•Job opportunities •Providing business venues to potential businesses •Trainings that could further develop employees' knowledge and skills •Transparency	Conflict of Interest over a particular transaction	The Company ensures its commitment to full compliance, along with its subsidiaries and affiliates, and its personnel, of their business interests, shareholdings, personal activities, or relationships that may directly or indirectly conflict with the performance of their intended duties and responsibilities. It's the Company's practice to promote fair dealing with the Corporation's customers, suppliers, competitors and other third parties.
Services 2 Water Utility	•Job opportunities •Potable water •Availability and access to water services is fundamental to fighting the COVID-19 and preserving the health and well-being of the residents of Calapan City Oriental Mindoro and Tabuk City Kalinga	A person's health may be at stake due to preventable water and sanitation-related diarrheal diseases Shortfall in the supply of clean water may lead to quicker transmission of diseases as customers' personal hygiene routines are compromised.	A regular bacteriological and chemical/physical test is being done to ensure that all of CWWC's water sources conform to the Philippine National Standards for Drinking Water (PNSDW). The Company is equipped with functional wells and reservoirs to ensure continuous operation and non-stop supply of water

Key Products and Services	Societal Value/ Contribution to UN SDGs	Potential negative impact of Contribution	Management Approach to negative impact
Services 3 Energy and Power	•Job opportunities •Helps community of Calapan City and San Teodoro	Lack of access to energy may hamper the continuous growth in the businesses located in the province of Oriental Mindoro.	The Company shall broaden its strategy to increase reliable, uninterrupted, and sufficient energy production to help sustain economic recovery.