COVER SHEET

CS201807415

S.E.C. Registration Number

CITICORE RENEWABLE ENERGY CORPORATION

(Company's Full Name)

11F ROCKWELL SANTOLAN TOWN PLAZA, 276 SANTOLAN ROAD SAN JUAN CITY, METRO MANILA

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

DANICA EVANGELISTA

Contact Person

(02) 8826-5698

Company's Telephone Number

31 December

Month Day of Fiscal Year

08 August

Month Day of Annual Meeting

SEC FORM 17-Q

Secondary License Type, If Applicable

SEC

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

CITICORE RENEWABLE ENERGY CORPORATION
Company's Full Name

11th Floor Rockwell
Santolan Town Plaza
276 Col. Bonny Serrano Avenue
San Juan City
Company's Address

8826-5698
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-Q
Form Type

June 30, 2024
Period Ended Date

_

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17(2)(b) THEREUNDER

1.	For the Quarterly Period Ended	**June 30, 2024**
2.	SEC Identification Number	**CS201807415**
3.	BIR Tax Identification No.	**010-007-383**
4.	Exact Name of Issuer as Specified in its Charter	**Citicore Renewable Energy Corporation**
5.	Province, Country or other Jurisdiction of Incorporation or Organization	**Philippines**
6.	Industry Classification Code (SEC use only)	
7.	Address of Principal Office	**11th Floor Rockwell Santolan Town Plaza 276 Col. Bonny Serrano Avenue, San Juan City**
	Postal Code	**1500**
8.	Issuer's Telephone Number, including Area Code	**(02) 8826-5698**
9.	Former Name, Former Address and Fiscal Year, if Changed since Last Report	**Not Applicable**

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

Title of Each Class	Number of Shares Issued and Outstanding	Amount of Debt Outstanding (Php)
Common	8,928,572,143	18,656,084,982

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

Yes [✓] No [ ]

If yes, state the name of such stock exchange and classes of securities listed therein:

The Philippine Stock Exchange, Inc.	**- CREC**

12. Check whether the issuer:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of 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 [✓] No [ ]

has been subject to such filing requirements for the past 90 days.

Yes [✓] No [ ]

PART I –FINANCIAL INFORMATION

Item 1. Financial Statements

The interim Financial Statements of Citicore Renewable Energy Corporation ("CREC") as of June 30, 2024 with comparative figures as of December 31, 2023 and June 30, 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

A. <u>RESULTS OF OPERATIONS</u>

Review of results for the six (6) months ended June 30, 2024 as compared with the results for the six (6) months ended June 30, 2023

Results of Operations

Revenue increased by 13% or P233.10 Million
Revenue for the period amounted to P2.09 billion, 13% or P233.10 million higher from the same period last year. The increase in revenue for the period mainly pertains to increase in sale of electricity by P228.15 million and service fee by P4.95 million.

Sale of electricity increased by 15% or P228.15 million primarily due to higher renewal rates of existing customers from the group's trading arm and full period to date impact in increase of customers.

Lease income stood at P324.68 million, same level as last year. This account pertains to recognition of lease income generated by CREIT, our real estate investment trust, from its leasing activities to CPI's solar power plants.

Service fees increased by P4.95 million or 20% primarily due to the recognition of additional service fees in respect of the operations and maintenance agreement for the power distribution system in the Freeport Area of Bataan and the increase in service fee rates in relation to the operations and maintenance agreement for GPS3's Arayat Phase 1 and Phase 2 Projects.

Cost of services increased by 10% or P125.45 million
Direct costs amounted to P1.40 billion and were higher by 10% or P125.45 million. The increase is due to additional third party supply arrangements in line with the full period to date impact of increasing customers in 2023.

Gross Profit increased by 19% or P107.65 million
Gross profit amounted to P684.92 million for the first six months of 2024, translating to a gross profit margin of 33%. The increase in the gross profit amount is mainly attributable to the higher margins in the trading segment and reduced cost.

Operating Expenses decreased by 48% or P42.10 million
Net Other Operating Expenses for the six-month period amounted to P44.71 million, 48% lower than last year's P86.81 million due to tighter overhead measures in 2024.

Share in net income of a joint venture decreased by 76% or P108.11 million
Our share in net income of a joint venture decreased by 76% or P108.11 million primarily due to the decrease in GPS3's net income due to higher financing costs starting later part of 2023. GPS3 is currently in the process of refinancing the loan and is expected to normalize before end of this year.

Finance cost increased by 19% or P35.79 million
The increase in finance cost is mainly related to the higher interest rates on existing loans which are being repriced on a quarterly basis.

Other income - net decreased by 7% or P0.81 million
Other income - net, which consists of finance income and unrealized foreign currency gains amounted to P11.03 million, 7% lower from year-ago levels. The decrease was due to the interest income earned last in 2023 related to the unutilized proceeds of the green bonds offering last February 10, 2023 and decrease in finance income on long-term FIT as principal balance of receivables decrease as collection is received.

Net Income increased by P1.14 million
As a result of the foregoing, net income increased by P1.14 million to P456.40 for the period ended June 30, 2024 from P455.27 million in 2023.

FINANCIAL CONDITION

Review of financial conditions as of June 30, 2024 as compared with financial conditions as of December 31, 2023

ASSETS

Current Assets increased by 115% or by P8.85 billion

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents increased by 438% or P10.52 billion
The increase in cash and cash equivalents pertains to the unutilized portion of the CREC IPO proceeds and loan borrowings of the under construction plants.

Trade and Other Receivables, net decreased by 37% or by P1.77 billion
The decrease in trade and other receivables mainly pertains the collection of advances from related party amounting to P1.18 billion. This was partially offset by the increase in trade receivables due to higher revenues at the end of the period.

Prepayments and Other Current Assets increased by 20% or by P101.38 million
Prepayments and other current assets increased by P101.38 million mainly due to the increase in input VAT from electricity supply purchases of the trading arm, increase in debt issue cost and increase in creditable withholding taxes of the Group.

Non-Current Assets increased by 54% or P7.89 billion

The following discussion provides a detailed analysis of the increase in non-current assets:

Trade receivables, net of current portion decreased by P15.95 million or 8%
Trade receivable, net of current portion decreased by 8% of P15.95 million to P191.80 million due to the reclassification to current portion of trade and other receivables the portion that will be collected in 2024 in relation to FIT adjustment for the Clark Solar Power Project, Bulacan III Solar PV Plant and Centrala Solar Power Project.

Property, Plant and Equipment increased by 53% or by P5.21 billion
The movement in the Company's property, plant and equipment was mainly due to the construction cost incurred for the under construction projects and cost to acquire parcels of land for solar plant construction.

Investment Properties decreased by 3% or P3.63 million
The movement in the Company's investment properties mainly pertains to the amortization of leasehold right during the period.

Right of Use Assets - net decreased P12.29 million or 3%
The decrease is mainly related to amortizations during the period.

Investment in a joint venture and deposits increased by 3% or P32.92 million
Investment in a joint venture and deposits increased by P32.92 million due to recognition of share in net income from GPS3 for the period.

Goodwill stood at P1.28 billion in both periods.
There is no movement in this account.

Deferred tax asset stood at P3.1 million in both periods.
There is no significant movement in this account.

Advances to contractors increased by P2.80 billion or 167%
The Group paid downpayments to contractor in 2024 for the construction of its solar plants. The downpayments will be recouped as the work is completed by the contractor.

Other Non-Current Assets decreased by 38% or P128.65 million
The decrease in other non-current assets is mainly due to reclassification of deposits made to landowners amounting to P98.23 million intended for solar development to property, plant and equipment as these have been fully acquired already during the period. In addition, electric utility deposits decreased by P37.5 million due to decrease in WESM supply purchased.

LIABILITIES AND EQUITY

Current Liabilities increased by 19% or by P307.62 million

The following discussion provides a detailed analysis of the increase in current liabilities:

Trade and Other Payables increased by 17% or by P166.38 million
The increase in trade and other payables is mainly due to the increase in payables pertaining to electricity purchases of CESI from CPI's solar plants which are then settled the following month. The increase was also due to final withholding taxes related to CREIT's dividend and coupon bond payments during the period which were then paid and remitted the following month as well. Accrued interest payable for CREC loans has likewise contributed to the increase in trade and other payables.

Dividends payable increased by 66% or P82.65 million
The increase in dividends payable is related to the increase in minority shareholders of CREIT. In 2024, CREC sold its 28.79% shareholdings in CREIT to SMIC, decreasing the attributable ownership of CREC to 32.88%.

Lease liabilities – current portion decreased by 39% or by P3.72 million
The decrease is due to the lease payments made for Toledo property during the period.

Loans payable – current portion increased by 13% or P61.19 million
The increase was due to reclassification from non-current portion.

Non-Current Liabilities increased by 57% or P6.85 billion

The following discussion provides a detailed analysis of the increase in non-current liabilities:

Loans payable, net of current portion increased by 94% or P6.87 billion
The increase in loans payable, net of current portion is due to various loan availments made by CLHI, CS Batangas 1 and 2, and CS Pampanga 1 for the construction of the Solar Projects.

Bonds payable increased by P4.27 million
The account pertains to the green bond issuance last February 10, 2023. The increase in this account mainly pertains to the amortization of the bond issuance costs during the period.

Lease liabilities, net of current portion decreased by 3% or P15.70 million
The decrease was due to reclassification from non-current to current portion.

Deposits and deferred rent income decreased by 2% or P4.24 million
This account pertains to advance payment and security deposit of CREIT to non-CREC lessees. There is no significant movement on this account. This also includes deposits received from the customers of the Group's trading arm.

Retirement benefit obligation stood at P40.62 million
This account pertains to retirement obligation of the Company's employees as computed by an actuary as of the end of December 31, 2023. There are no movements in this account for the period.

Deferred income tax liabilities stood at P4.86 million
There is no significant movement on this account.

Total Equity increased by 111% or P9.59 billion
The Company's total equity stands at P18.21 billion as of June 30, 2024.

On June 7, 2024, the Parent Company successfully listed its shares with the PSE via the offer of (i) 1,758,715,000 new common shares with the par value of P0.07 per share issued and offered by the Company as "Primary Offer Shares" and " (ii) over-allotment option of up to 178,572,000 shares held by CPI which were exercised at such date. All the shares offered by the Parent Company and CPI were sold at an offer price of P2.70 per share. The Parent company recognized additional paid-up capital (APIC) arising from this transaction amounting to P4.52 billion in 2024.

In 2024, the Parent Company and CST1 sold a total of 1,884,374,000 common shares in CREIT at P2.6534 per share to SM Investments Corporation (SMIC) raising approximately P5.0 billion. The Group recognized gain on dilution amounting to P4.46 billion in the Other Reserves.

B. MATERIAL EVENTS AND UNCERTAINTIES

There are no other material changes in CREC's financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of CREC.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing CREC's liquidity in any material way. CREC does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

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

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of CREC.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of CREC.

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from CREC's statements of cash flows for the period indicated:

(Amounts in P Millions)	For the periods ended	
Cash Flow	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Net cash from operating activities	P648	P632
Net cash used in investing activities	(6,023)	(2,773)
Net cash from (used in) financing activities	15,898	3,158

Indebtedness

As of June 30, 2024, CREC has not been in default in paying interest and principal amortizations.

CREC is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

E. RISK MANAGEMENT OBJECTIVES AND POLICIES

CREC is exposed to a variety of financial risks in relation to its financial instruments. Its risk management is coordinated with the Board of Directors, and focuses on actively securing CREC's short-to-medium term cash flows by minimizing the exposure to financial markets.

CREC does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk.

F. KEY PERFORMANCE INDICATORS

CREC's top KPIs are as follows:

KPI	June 30, 2024 (Unaudited)	June 30, 2023 (Audited)
Current Ratio[1]	8.78	5.86
Debt-to-equity ratio[6]	1.02	1.14
Net Debt-to-equity ratio[2]	0.31	0.86
Earnings per Share[3]	0.04	0.05
Debt Service Coverage Ratio[7]	4.25	3.74
Gross Profit Margin[4]	33%	31%
Book Value Per Share[5]	1.89	1.00

The KPIs were chosen to provide management with a measure of CREC's sustainability on financial strength (Current Ratio), and profitability (Earnings per Share, Gross Profit Margin).

PART II–OTHER INFORMATION

There are no any information not previously reported in a report on SEC Form 17-C.

[1] *Current Assets/Current Liabilities*
[2] *Total Interest Bearing Debt less Cash / Total Equity*
[3] *Net Income Attributable to Shareholders of the Parent Company / Weighted Average Outstanding Shares*
[4] *Gross Profit / Revenue*
[5] *Total equity attributable to equity holders of the Parent Company less Preferred Equity/Total number of shares outstanding*
[6] *Total Interest Bearing Debt / Total Equity*
[7] *Earnings before interest, taxes, depreciation and amortization + cash, beginning/Current loan payable + Interest expense + Current lease liabilities*

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, thereto duly authorized, in QUEZON CITY on AUG 13 2024.

By:

OLIVER Y. TAN	**MIA GRACE PAULA S. CORTEZ**
President and Chief Executive Officer	*Chief Financial Officer*

SUBSCRIBED AND SWORNTO before me in QUEZON CITY on AUG 13 2024, affiants exhibiting to me their respective valid IDs, as follows:

NAME	Valid ID	DATE OF ISSUE/VALID UNTIL	PLACE OF ISSUE
Oliver Y. Tan	Passport No. P4489306B	Valid until January 21, 2030	DFA East NCR
Mia Grace Paula S. Cortez	UMID 0111-2975451-1		

Doc. No. 344;
Page No. 70;
Book No. II;
Series of 2024.

ATTY. NEIL KIRBY L. ADA
NOTARY PUBLIC
ROLL NO. 77893
QUEZON CITY, PHILIPPINES

NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-557 (2023-2024)
Until 31 December 2024
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 5573[illegible] / [illegible] 2024 / Quezon City
IBP No. 397718 / [illegible] / Batangas Chapter
MCLE Compliance – Admitted to the BAR on 11 May 2022

CITICORE RENEWABLE ENERGY CORP.

August 12, 2024

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Citicore Renewable Energy Corporation and subsidiaries (the "Group") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the periods ended June 30, 2024 and 2023 and December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

In preparing the 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 for overseeing the Group's financial reporting process.

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

Isla Lipana & Co., the independent auditors appointed by the stockholders for the year ended December 31, 2023 and have audited the financial statements of the Group for the said period in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit. The financial statements as of and for the periods ending June 30, 2024 and 2023 were not audited as allowed under the applicable rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Edgar B. Saavedra
Chairman of the Board

Oliver Y. Tan
President

Manuel Louie B. Ferrer
Treasurer

Signed this AUG 13 2024 day of 2024

SUBSCRIBED AND SWORN BEFORE ME ON AUG 13 2024
AT QUEZON CITY PHILIPPINES BY AFFIANT WHO EXHIBITED TO ME HIS/HER ______ ISSUED ON ______ AT ______ AS COMPETENT EVIDENCE OF HIS/HER IDENTITY ______

NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-557 (2023-2024)
Until 31 December 2024
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 5573838 / 01.04.2024 / Quezon City
IBP No. 397 / 01.04.2024 / Batangas C.
MCLE Compliance – Admitted to the BAR on 11 May 2022

DOC. NO. 345
PAGE NO. 70
BOOK NO. I
SERIES OF 2024

ATTY. NEIL KIRBY L. ADA NOTARY PUBLIC ROLL NO. 77893 QUEZON CITY, PHILIPPINES

Citicore Renewable Energy Corporation and Subsidiaries

Condensed Consolidated Interim Financial Statements
As at June 30, 2024 and December 31, 2023 and for the six-month periods ended June 30, 2024 and 2023

Citicore Renewable Energy Corporation and Subsidiaries

Condensed Consolidated Interim Statements of Financial Position
As at June 30, 2024 and December 31, 2023
(All amounts in Philippine Peso)

	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets			
Current assets			
Cash and cash equivalents	3	12,926,460,577	2,403,332,616
Trade and other receivables, net	4	3,048,484,968	4,818,080,823
Prepayments and other current assets	5	610,286,451	508,906,801
Total current assets		16,585,231,996	7,730,320,240
Non-current assets			
Trade receivables, net of current portion	4	191,799,298	207,751,934
Advances to contractor	11	4,482,097,571	1,677,454,463
Property, plant and equipment, net	6	14,525,046,080	9,307,658,335
Investment properties, net	18	121,311,765	124,942,674
Right-of-use assets, net	18	458,086,850	470,378,568
Investment in a joint venture and deposits	19	1,194,929,811	1,162,012,656
Deferred income tax assets, net		3,121,243	3,113,985
Goodwill	7	1,279,126,115	1,279,126,115
Other non-current assets	8	207,169,783	335,818,933
Total non-current assets		22,462,688,516	14,568,257,663
Total assets		39,047,920,512	22,298,577,903
Liabilities and Equity			
Current liabilities			
Trade and other payables	9	1,158,800,577	993,039,126
Dividends payable	14, 22	207,203,893	124,550,646
Loans payable, current portion	10	514,802,643	453,614,073
Lease liabilities, current portion	18	5,772,664	9,495,105
Income tax payable		1,740,572	-
Total current liabilities		1,888,320,349	1,580,698,950
Non-current liabilities			
Loans payable, net of current portion	10	14,177,139,001	7,306,853,945
Lease liabilities, net of current portion	18	579,001,834	594,702,933
Bonds payable	10	3,964,143,338	3,959,876,787
Deposits and deferred rent income	12	187,778,008	192,015,641
Retirement benefit obligation	13	40,616,078	40,616,078
Deferred income tax liabilities, net		4,865,354	4,819,153
Total non-current liabilities		18,953,543,613	12,098,884,537
Total liabilities		20,841,863,962	13,679,583,487
Equity			
Share capital	14	625,000,050	500,000,000
Share premium	14	5,448,600,286	925,200,000
Other reserves	1, 7, 14, 19	8,861,564,786	4,397,871,807
Retained earnings		1,941,416,582	1,671,486,709
Total equity attributable to shareholders of the Parent Company		16,876,581,704	7,494,558,516
Non-controlling interest	20	1,329,474,846	1,124,435,900
Total equity		18,206,056,550	8,618,994,416
Total liabilities and equity		39,047,920,512	22,298,577,903

The notes on pages 1 to 45 are integral part of these condensed consolidated financial statements.

Citicore Renewable Energy Corporation and Subsidiaries

Condensed Consolidated Interim Statements of Total Comprehensive Income
For each of the six-month periods ended June 30, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	June 30, 2024 (Year-to-date) (Unaudited)	June 30, 2023 (Year-to-date) (Unaudited	June 30, 2024 (For the quarter) (Unaudited)	June 30, 2023 (For the quarter) (Unaudited
Revenue					
Sale of electricity		1,732,366,798	1,504,212,423	910,406,544	915,576,926
Lease income	11	324,675,214	324,675,214	162,337,607	163,869,171
Service fees		29,477,620	24,531,209	15,275,907	20,108,767
		2,086,519,632	1,853,418,846	1,088,020,058	1,099,554,864
Cost of services	15	(1,401,604,287)	(1,276,153,709)	(734,312,959)	(780,982,216)
Gross profit		684,915,345	577,265,137	353,707,099	318,572,648
Operating expenses	16	(44,707,657)	(86,805,613)	(17,346,495)	7,847,743
Share in net income (loss) of a joint venture	19	33,447,139	141,561,980	25,355,181	93,321,668
Income from operations		673,654,827	632,021,504	361,715,785	419,742,059
Finance costs	17	(224,130,108)	(188,339,380)	(118,151,112)	(104,889,185)
Other income, net	17	11,027,343	11,835,442	2,914,164	1,951,710
Income before income tax		460,552,062	455,517,566	246,478,837	316,804,583
Income tax (expense) benefit		(4,149,747)	(250,766)	(3,102,627)	(250,766)
Net income for the year		456,402,315	455,266,800	243,376,210	316,553,817
Other comprehensive income					
Other comprehensive income that will not be subsequently reclassified to profit or loss					
Gain on dilution		-	-	-	-
Remeasurement gain (loss) on retirement benefits, net of tax	13	-	-	-	-
Total comprehensive income for the year		456,402,315	455,266,800	243,376,210	316,553,817
Net income attributable to:					
Shareholders of the Parent Company		269,929,873	345,911,963	110,321,060	270,380,846
Non-controlling interest		186,472,442	109,354,837	133,055,150	46,172,971
		456,402,315	455,266,800	243,376,210	316,553,817
Total comprehensive income attributable to:					
Shareholders of the Parent Company		269,929,873	345,911,963	110,321,060	270,380,846
Non-controlling interest		186,472,442	109,354,837	133,055,150	46,172,971
		456,402,315	455,266,800	243,376,210	316,553,817
Earnings per share					
Basic and diluted		0.0372	0.0484	0.0152	0.0379

The notes on pages 1 to 45 are integral part of these condensed consolidated financial statements.

Citicore Renewable Energy Corporation and Subsidiaries

Condensed Consolidated Interim Statements of Changes in Equity
For the six-month periods ended June 30, 2024 and 2023
(All amounts in Philippine Peso)

	Equity attributable to shareholders of the Parent Company						
	Share capital (Note 14)	**Additional paid-in capital (Note 14)**	**Other reserves (Notes 1, 7, 14 and 19)**	**Retained earnings**	**Total**	**Non-controlling interests (Note 20)**	**Total equity**
Balances at January 1, 2023	500,000,000	925,200,000	4,409,925,406	996,533,095	6,831,658,501	1,391,014,218	8,222,672,719
Comprehensive income							
Net income for the year	-	-	-	345,911,963	345,911,963	109,354,837	455,266,800
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	345,911,963	345,911,963	109,354,837	455,266,800
Transactions with non-controlling interest							
Sale of additional and existing shares in a subsidiary	-	-	-	-	-	-	-
Payment of dividends to non-controlling interest	-	-	-	-	-	(245,891,020)	(245,891,020)
Total transactions with non-controlling interest	-	-	-	-	-	(245,891,020)	(245,891,020)
Balances at June 30, 2023 (Unaudited)	500,000,000	925,200,000	4,409,925,406	1,342,445,058	7,177,570,464	1,254,478,035	8,432,048,499
Balances at January 1, 2024	500,000,000	925,200,000	4,397,871,807	1,671,486,709	7,494,558,516	1,124,435,900	8,618,994,416
Comprehensive income							
Net income for the year	-	-	-	269,929,873	269,929,873	186,472,442	456,402,315
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	269,929,873	269,929,873	186,472,442	456,402,315
Transactions with owners							
Issuance of shares	125,000,050	4,523,400,286	-	-	4,648,400,337	-	4,648,400,337
Dividends declared	-	-	-	-	-	-	-
Transactions with non-controlling interest							
Sale of additional and existing shares in a subsidiary	-	-	4,463,692,979	-	4,463,692,979	471,093,500	4,934,786,479
Payment of dividends to non-controlling interest	-	-	-	-	-	(452,526,996)	(452,526,996)
Balances at June 30, 2024 (Unaudited)	625,000,050	5,448,600,286	8,861,564,786	1,941,416,582	16,876,581,704	1,329,474,846	18,206,056,550

The notes on pages 1 to 45 are integral part of these condensed consolidated financial statements.

Citicore Renewable Energy Corporation and Subsidiaries

Condensed Consolidated Interim Statements of Cash Flows
For the six-month periods ended June 30, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities			
Income before income tax		460,552,062	455,517,566
Adjustments for:			
Finance costs	17	324,670,510	187,421,583
Depreciation and amortization	6, 7, 18	80,655,171	78,773,874
Retirement benefit expense	13	64,310	-
Unrealized foreign exchange (gain) loss, net	22.1.1.b	64,068	-
Interest income	17	(9,965,501)	(13,539,472)
Share in net income of a joint venture	19	(33,447,139)	(141,561,980)
Operating income before changes in working capital		822,593,481	566,611,571
Changes in working capital:			
Trade and other receivables		(45,576,659)	(278,389,020)
Prepayments and other current assets		(118,055,562)	(40,723,485)
Other non-current assets		36,480,221	(115,329,462)
Trade and other payables		(50,717,355)	446,137,077
Deposits and deferred rent income		(6,402,691)	40,013,507
Net cash generated from operations		638,321,435	618,320,188
Interest received		10,099,873	13,539,472
Income taxes paid		-	-
Net cash provided by operating activities		648,421,308	631,859,660
Cash flows from investing activities			
Additions in due from related parties		1,831,125,150	1,218,964,803
Additional development costs incurred		-	(95,599,309)
Deposit for future investment	11	529,984	(42,500,000)
Advances to contractor	11	(2,804,643,108)	-
Downpayments to land owners	8	-	(328,244,914)
Additions to property, plant and equipment	6	(5,044,097,070)	(3,525,668,693)
Additions to intangible assets	8	(6,115,241)	447,175
Proceeds from sale of property, plant and equipment	6	-	-
Net cash provided by (used in) investing activities		(6,023,200,285)	(2,772,600,938)
Cash flows from financing activities			
Proceeds from bond issuance	10	-	4,000,000,000
Interest payment on bonds payable	10	(158,721,753)	-
Payment of bond issuance costs	10	-	(46,799,679)
Availment of loans	10	7,147,800,549	-
Principal payment of loans from banks	10	(216,326,923)	(199,372,767)
Interest payment on loans from banks	10	(74,385,094)	(187,953,052)
Payment of debt issuance costs	10	(43,716,131)	(207,225,708)
Proceeds on sale of part interest of subsidiary	1	4,934,786,479	-
Proceeds from issuance of new shares	1	4,706,422,147	-
Interest payment on lease liabilities	18	(16,849,601)	(3,759,195)
Principal payment of lease liabilities	18	(11,228,985)	(666,400)
Dividends paid to non-controlling interest and owner	14, 20	(369,873,751)	(195,750,166)
Net cash provided by (used in) financing activities		15,897,906,937	3,158,473,033
Net increase (decrease) in cash and cash equivalents		10,523,127,961	1,017,731,755
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at January 1		2,403,332,616	1,473,217,179
Cash and cash equivalents at end of period	3	12,926,460,577	2,490,948,934

The notes on pages 1 to 45 are integral part of these condensed consolidated financial statements.

Citicore Renewable Energy Corporation and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements
As at June 30, 2024 and December 31, 2023 and
for the six-month periods ended June 30, 2024 and 2023
(All amounts are shown in Philippine Peso unless otherwise stated)

1 General Information

1.1 Corporate information

Citicore Renewable Energy Corporation (the "Parent Company") was organized and incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 15, 2018. Its primary purpose is to engage in power generation under Renewable Energy Law.

On April 20, 2023, the Parent Company's Board of Directors (BOD) approved to amend its Articles of Incorporation (AOI) as follows:

- Its primary purpose to carry on and conduct business in all renewable energy resources such as solar, hydro, wind, biomass, tide, geothermal, and others including bidding, construction, assembling, installation and operation of different renewable energy power plants, equipment, and supplies connected therewith; to enter into, execute, and engage in solar power contracts and solar power projects, hydro power contracts and hydro power projects, wind power contracts and wind power projects, biomass contracts and biomass power projects, tide power contracts and tide power projects, geothermal power contracts and geothermal power projects and all other renewable energy contracts and its power projects: to buy, sell, generate power, sell power, distribute power, and others relating thereof.
- Its secondary purpose to perform certain activities related to its primary purpose.
- Update of Parent Company's principal office to 11th Floor, Rockwell Town Plaza, 276 Santolan Road, San Juan City.
- Capital restructuring particularly share split of its P2.0 billion authorized share capital divided into 27,857,142,857 common shares with par value of seven centavos (P0.07) per share and 50,000,000 preferred shares with par value of one peso (P1.00) per share. The features of the Parent Company's preferred shares are disclosed in Note 13.
- The Parent Company shall comply with the lock-up requirement provided under the Listing Rules Philippine Stock Exchange, Inc. (the "PSE"), as may be amended from time to time, subject to any waiver or exemption that may be granted by the PSE in respect of such lock-up requirement.

These amendments were approved by the SEC on July 6, 2023.

The Parent Company is a wholly-owned subsidiary of Citicore Power Inc. (the "Intermediate Parent Company" or "CPI"), a company incorporated in the Philippines. CPI is engaged in the development of renewable and non-renewable energy sources for power generation, including the design, construction and installation, commissioning, owning, management and operation of relevant facilities and infrastructure thereof, and the processing and commercialization of by-products in its operations.

The Parent Company's ultimate parent company is Citicore Holdings Investment, Inc., a company incorporated in the Philippines, registered as a holding company engaged in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other shareholders by way of assignment in a private sale.

On January 19, 2024 and May 23, 2024, the Philippine Stock Exchange ("PSE") issued notice of acceptance and amended notice of approval, respectively, in relation to the Parent Company's application for initial public offering. The Philippine SEC issued permit to sell securities on January 17, 2024. The Parent Company obtained its status as "public company" on June 7, 2024 when it listed its shares in the main board of the PSE. As a public company, it is covered by the Part II of Securities Regulation Code ("SRC") Rule 68.

As at December 31, 2023, the Company has one shareholder, owning one hundred (100) or more shares. As at June 30, 2024, the has 95 shareholders, each owning one hundred (100) or more shares.

The total shares outstanding are held by the following shareholders as at June 30, 2024:

	Percentage
CPI*	78.00%
Public	22.00%
	100.00%

includes shares held by Directors and Officers

1.2 Status of operations

The Parent Company's subsidiaries and its ownership interest as at reporting periods in these subsidiaries are as follows:

Companies	June 30, 2024	December 31, 2023
Citicore Energy REIT Corp. (CREIT)	Direct 33%	Direct 48% Indirect 14%*
Citicore Fund Managers, Inc. (CFMI)	Direct 100%	Direct 100%
Citicore Property Managers, Inc. (CPMI)	Direct 100%	Direct 100%
Sikat Solar Holdco, Inc. (SSHI)	Direct 100%	Direct 100%
Citicore Solar South Cotabato, Inc. (CSSCI)	Indirect 100%	Indirect 100%
Citicore Solar Tarlac 1, Inc. (CST1)	Indirect 100%	Indirect 100%
Citicore Solar Tarlac 2, Inc. (CST2)	Indirect 100%	Indirect 100%
Citicore Solar Holdings, Inc. (CSHI)	Direct 100%	Direct 100%
Citicore Solar Bulacan, Inc. (CSBI)	Indirect 100%	Indirect 100%
Citicore Energy Solutions, Inc. (CESI)	Direct 100%	Direct 100%
Citicore Solar Energy Corp. (CSEC)	Direct 100%	Direct 100%
Citicore Batangas 1, Inc. (CSB1) (*formerly Greencore Power Solutions 4, Inc. or* GPS4)**	Indirect 100%	Indirect 100%
Greencore Power Solutions 1, Inc. (GPS1)	Indirect 100%	Indirect 100%
Citicore Batangas 2, Inc. (CSB2) *(formerly Greencore Power Solutions 2, Inc. or GPS2)*	Indirect 100%	Indirect 100%
Greencore Power Solutions 5, Inc. (GPS5)	Indirect 100%	Indirect 100%
Citicore Solar Pampanga 1 Inc. (CSPam1)	Indirect 100%	Indirect 100%
Citicore Solar Pampanga 2 Inc. (CSPam2)	Indirect 100%	Indirect 100%
Citicore Solar Tarlac 3, Inc. (CST3)	Indirect 100%	Indirect 100%
Citicore Solar Tarlac 4 Inc. (CST4)	Indirect 100%	Indirect 100%
Citicore Solar Pangasinan Inc. (CSPan)	Indirect 100%	Indirect 100%
Citicore Solar Pangasinan 2 Inc. CSPan2)	Indirect 100%	Indirect 100%
Citicore Solar Quezon (CSQ)	Indirect 100%	Indirect 100%
Citicore Solar Negros Occidental, Inc. 2 (CSNOI2)	Indirect 100%	Indirect 100%
Citicore Solar Bulacan 2, Inc. (CSBul2)	Indirect 100%	Indirect 100%
Citicore Wind Cagayan, Inc. (CWCI)	Direct 100%	Direct 100%
Citicore Wind Energy Corporation (CWEC)	Direct 100%	Direct 100%
Citicore Wind Pangasinan 1, Inc. (CWP1)	Indirect 100%	Indirect 100%
Citicore Wind Pangasinan 2, Inc. (CWP2)	Indirect 100%	Indirect 100%
Citicore Wind Quezon, Inc. (CWQ)	Indirect 100%	Indirect 100%
Citicore Wind Ilocos Norte, Inc. (CWINI)	Indirect 100%	Indirect 100%
Citicore Wind Iloilo 1, Inc. (CWI1)	Indirect 100%	Indirect 100%
Citicore Wind Iloilo 2 Inc. (CWI2)	Indirect 100%	Indirect 100%
Citicore Wind Cagayan, Inc. (CWCI)	Direct 100%	Direct 100%
Citicore Wind Cagayan 1, Inc. (CWC1)	Indirect 100%	Indirect 100%
Citicore Wind Cagayan 2, Inc. (CWC2)	Indirect 100%	Indirect 100%
Citicore Wind Guimaras 2, Inc. (CWG2)	Indirect 100%	Indirect 100%
Citicore Wind Zambales 1, Inc. (CWZ1)	Indirect 100%	Indirect 100%

Citicore Wind Zambales 2, Inc. (CWZ2)	Indirect 100%	Indirect 100%
Citicore Wind Aklan, Inc. (CWA)	Indirect 100%	Indirect 100%
Citicore Land Holdings, Inc. (CLHI)	Direct 100%	Direct 100%

**CST1 owns 14% as at December 31, 2023. The shares were sold in 2024.*
***Ownership of CSB1 was transferred from the Parent Company to CSEC.*

The Parent Company and its subsidiaries (the "Group") whether directly or indirectly owned are all organized and incorporated in the Philippines and registered with the SEC.

(a) Citicore Energy REIT Corp. (CREIT), Citicore Fund Managers, Inc. (CFMI) and Citicore Property Managers, Inc. (CPMI)

CREIT

CREIT was registered with the SEC on July 15, 2010.

Prior to May 25, 2021, CREIT's primary objective is to explore, develop and utilize renewable resources with particular focus on solar and wind energy generation; to design, construct, erect, assemble, commission and operate power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy.

The amended primary purpose of CREIT is to engage in the business of owning income-generating real estate assets, including renewable energy generating real estate assets, under a real estate investment trust (REIT) by virtue of Republic Act (RA) No. 9856, otherwise known as the *"Real Estate Investment Trust Act of 2009"* and its implementing rules and regulations.

On May 25, 2021, CREIT's BOD and shareholders approved, among others, the following amendments to CREIT's AOI: (i) change of corporate name from Enfinity Philippines Renewable Resources Inc. to Citicore Energy REIT Corp.; (ii) amendment of the primary purpose to that of a real estate investment trust; (iii) change of principal office address from Prince Balagtas Avenue Extension, Clark Freeport Zone, Pampanga to 11F, Rockwell Santolan Town Plaza, 276 Col. Bonny Serrano Avenue, San Juan City, Metro Manila; and (iv) increase of authorized share capital from P540 million divided into 2.16 billion common shares with P0.25 par value to P3.84 billion divided into 15.36 billion common shares with par value of P0.25 per share. On May 26, 2021, as part of the increase in authorized share capital, the Parent Company subscribed to 2.4 billion shares as consideration for the assignment by the Parent Company of its advances to CREIT amounting to P602,465,066. In addition, the Parent Company and CST1 subscribed to 19,461,142 shares and 918,720,864 shares, respectively, or a total of 938,182,006 shares, as consideration for the assignment of parcels of land, with an aggregate area of 138,164 sq.m., located in Brgy. Armenia, Tarlac. CREIT's submission to the SEC for the foregoing amendments was approved on October 12, 2021. Upon issuance of the shares during 2021, CREIT's shareholding structure was 16.7% and 83.3% owned by CST1 and Parent Company, respectively. Prior to October 12, 2021, the Parent Company owns 100% of CREIT.

On November 4, 2021, CREIT's BOD and shareholders approved, among others, to amend its AOI and delete one of the secondary purposes reflected in the amended AOI as approved by BOD on May 25, 2021 as follows: "to invest in or otherwise engage in the exploitation, development, and utilization of renewable energy resources with particular focus on solar and wind energy generation; to design, construct, erect, assemble, commission and operate power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy". CREIT's submission to the SEC for the foregoing amendment was approved on November 17, 2021.

CREIT was registered with the Philippine Board of Investments (BOI) on October 16, 2015 as a renewable energy developer of solar energy resources under RA No. 9513, otherwise known as the *"Renewable Energy Act of 2008"*.

On October 13, 2021, CREIT, assigned the Solar Energy Service Contract (SESC) for the operation of the 22.33-megawatt (MW) Clark Solar Power Project in Clark, Freeport Zone, Pampanga to the Parent Company, making the latter the operator of the Clark Solar Power Plant. The assignment was approved by the DOE on December 24, 2021. The Clark Solar Power Project was successfully commissioned on March 12, 2016 through the confirmation of the Department of Energy (DOE) covering its SESC No. 2014-07-086 and Amended Certificate of Commerciality No. SCC-2015-03-014-B with validity of 25 years. The Philippine BOI approved the transfer of BOI Certificate of Registration No. 2015-222 of CREIT to the Parent Company as a renewable energy developer of solar energy resources under RA No. 9513 effective January 1, 2022.

On February 22, 2022, CREIT successfully listed its shares with the PSE via the offer of (i) 1,047,272,000 new common shares with a par value of P0.25 per share issued and offered by CREIT as "Primary Offer Shares", and (ii) 1,134,547,000 existing shares offered by the Parent Company, selling shareholder, pursuant to a "Secondary Offer Shares" with an over-allotment option of up to 327,273,000 shares which were exercised at such date. All the shares offered by the CREIT and the Parent Company were sold at an offer price of P2.55 per share.

The sale of CREIT's share was treated as an equity transaction by the Parent Company resulting in:

	Primary offer shares	Secondary offer shares
Number of shares offered	1,047,272,000	1,461,820,000
Offer price	2.55	2.55
Gross proceeds from sale of shares	2,670,543,600	3,727,641,000
Cost of offering	(103,854,927)	(192,706,277)
Net proceeds from sale of shares	2,566,688,673	3,534,934,723
Non-controlling interest	(671,157,158)	(936,825,348)
Credit to equity under other reserves	1,895,531,515	2,598,109,375

The details of non-controlling interest is disclosed in Note 20.

On June 8, 2022, CREIT's shareholders approved the issuance of fixed-rate bonds not exceeding 35% of the value of the deposited property of CREIT or up to the allowable leverage under the REIT Act of 2009 and its implementing rules and regulations. On February 10, 2023, CREIT listed its maiden ASEAN Green Bonds amounting to P4.5 billion which bear a coupon interest rate of 7.0543% in the Philippine Dealing and Exchange Corp. (Note 9). In 2022, CREIT received PRS AA+ rating with stable outlook from PhilRatings for both CREIT and its proposed bond issuance. The rating, which is considered as an investment grade, allowed CREIT to increase its leverage limit from the minimum 35% of the deposited property to a maximum of 70% as prescribed in the REIT IRR. PRS AA+ rating is continuously monitored as long as the rated bond issuance is outstanding.

On March 15, 2024, the Parent Company and CST1 sold a total of 1,884,374,000 common shares in CREIT at P2.6534 per share to SM Investments Corporation (SMIC) raising approximately P5.0 billion. The Parent Company will continue to be the single largest shareholder in CREIT with a 32.88% effective ownership post-transaction. Proceeds from the sale will be used by CREC to fund further development of solar construction projects across different locations nationwide.

CFMI

CFMI was registered with the SEC on July 21, 2021 to engage in the business providing fund management services to REIT companies, as provided under the REIT Act, which includes: (1) implementing investment strategies of the REIT through the allocation of deposited property to allowable investment outlets in accordance with the REIT plan and investment strategy of REIT, and the selection of income-generating real estate in accordance with the investment strategy of the REIT; (2) overseeing and coordinating property acquisition, property management, leasing (except financial leasing), operational and financial reporting (including operating budgets), appraisals, audits, market review, accounting and reporting procedures, as well as refinancing and asset disposition plans; (3) causing the valuation of real estate and other properties of a REIT; (4) taking all necessary measures to ensure that: (a) the net asset value per unit of a REIT is calculated as and when an annual valuation report is issued by the property valuer for the relevant period, and that such net asset value per unit shall be disclosed in the annual reports; (b) the investment and borrowing limitations set out in the REIT plan and the conditions under which the REIT was authorized are complied with; (c) all transactions carried out by or on behalf of the REIT are conducted at arm's length; (d) at all times a REIT has proper legal title to real estate it owns, as well as to the contracts entered into on behalf of the scheme with respect to its assets and that each such contract is legal, valid, and binding and enforceable by or on behalf of the REIT; and (e) the property manager obtains adequate property insurance for the real properties of the REIT from insurance companies approved by it; and (5) performing all such functions necessary and incidental to asset management of a REIT.

CPMI

CPMI was registered with the SEC on August 4, 2021 to engage in the business of providing services in relation to property management, lease management (except financial leasing), marketing, project management, providing functions in accordance with the REIT plan and investment strategy of the REIT including the following: (i) plan the tenant mix and identify potential tenants; (ii) formulate and implement leasing strategies; (iii) enforce tenancy conditions; (iv) ensure compliance with government regulations in respect of the real estate under management; (v) perform tenancy administration work, such as managing tenant occupancy and ancillary amenities, and negotiating with tenants on grant, surrender and renewal of ease, rent review, termination and re-letting of premises; (vi) conduct rental assessment, formulating tenancy terms, preparing tenancy agreements, rent collection and accounting, recover of arrears and possession; (vii) secure and administer routine management services, including security control, fire precautions, communication systems and emergency management; (viii) maintain and manage the physical structures/real properties; (ix) formulate and implement policies and programs in respect of building management, maintenance, and improvement; (x) initiate refurbishment and monitoring of such activity; and (xi) such other duties and functions necessary and incidental to property management, as may be required by the BOD or agreed between corporation and the REIT Company.

The principal place of business and registered office address of CREIT, CFMI and CPMI is located at 11F, Rockwell Santolan Town Plaza, 276 Col. Bonny Serrano Avenue, San Juan City, Metro Manila.

(b) Sikat Solar Holdco, Inc. (SSHI), Citicore Solar South Cotabato, Inc. (CSSCI), Citicore Solar Tarlac 1, Inc. (CST1), and Citicore Solar Tarlac 2, Inc. (CST2)

SSHI was registered with the SEC on April 11, 2014. SSHI's primary purpose is to purchase, subscribe for, invest, acquire, obtain an interest in, own, hold, pledge, encumber, hypothecate, create security interests in, assign, deposit, create with respect to, sell, exchange, exercise any and all rights, powers and privileges pertaining to or otherwise dispose of and generally deal in real and personal properties, and with securities of every kind and description of private and public corporations, associations, partnerships, firms, syndicates, or entities wheresoever located in or organized under the laws of any part of the world, and without in any way acting as investment company, trust company, mutual fund, investment house, or securities dealer or broker.

The principal place of business and registered office address of SSHI is located at U-1101, The Trade and Financial Tower, 7th Ave., cor 32nd St., Bonifacio Global City, Taguig City, Philippines.

SSHI owns 100% of the common shares of CSSCI, CST1 and CST2.

CSSCI, CST1 and CST2 were registered with the SEC on April 30, 2013, November 11, 2013 and November 11, 2013, respectively. The companies' primary purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from solar power corporations, public utilities, electric cooperatives, and retail electricity suppliers to enter into contracts either alone or jointly with other companies or persons for the purpose of carrying out all business under which this corporation is organized; to acquire, build, construct, own, maintain, and operate all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles, wires and other things devices; and to acquire, lease, hold, occupy or use land, rights-of-way and easement therein.

These companies are registered with the BOI as a renewable energy developer of solar energy resources under the RA No. 9513.

CSSCI's 6.25 MW Centrala Solar Power Project in Centralla, Surallah, South Cotobato was successfully commissioned on December 9, 2015 through the confirmation of DOE covering its SESC No. 2013-10-043 and Certificate of Commerciality No. SCC-2014-05-008 with validity of 25 years.

The principal place of business and registered office address of CSSCI is located at 14th Street, Brgy. Centrala, Surallah, South Cotabato, Mindanao, Philippines.

CST1's 8.84 MW Armenia Solar Power Project in Tarlac City, Tarlac was successfully commissioned on February 29, 2016 through the confirmation of DOE covering its SESC No. 2016-02-277 and Certificate of Commerciality No. SCC-2016-03-050 with validity of 25 years.

The principal place of business and registered office address of CST1 is located at Sitio Sampaloc, Brgy. Armenia, Tarlac City, Tarlac.

CST2's 7.48 MW Dalayap Solar Power Project in Tarlac City, Tarlac was successfully commissioned on February 27, 2016 through the confirmation of DOE covering its SESC No. 2016-02-278 and Certificate of Commerciality No. SCC-2016-03-049 with validity of 25 years.

The principal place of business and registered office address of CST2 is located at Blk. 6 Brgy. Dalayap, Tarlac City.

(c) Citicore Solar Holdings, Inc. (CSHI) and Citicore Solar Bulacan, Inc. (CSBI)

CSHI was registered with the SEC on May 18, 2015. CSHI is registered as a holding company engaged in buying and holding of shares of other companies.

The principal place of business and registered office address of CSHI is located at 9th Floor, 45 San Miguel, San Miguel Avenue, San Antonio, Pasig City.

CSHI owns 100% of common shares of CSBI.

CSBI was registered with the SEC on May 7, 2015. Its primary purpose is to engage in the development, investments acquisition, construction, operation and maintenance, sale of renewable energy facilities including generation of heat and power/electricity sales distribution.

CSBI was registered with the BOI on August 25, 2015 as a renewable energy developer of solar energy resources under RA No. 9513.

CSBI's 15.00 MW Bulacan III Solar PV Plant in San Ildefonso, Bulacan was successfully commissioned on March 12, 2016.

The principal place of business and registered office address of CSBI is located at Sitio Hulo, Brgy. Pasong Bangkal, San Ildefonso, Bulacan.

(d) Citicore Energy Solutions, Inc. (CESI)

CESI was registered with the SEC on June 28, 2016. CESI's primary objective is to develop, construct, own, lease and operate electricity generation distribution facilities, retail electricity supply facilities and other related facilities for the conversion of renewable energy into usable form fit for electricity generations and distribution.

On December 8, 2016, the Energy Regulatory Commission (ERC) issued to CESI a Retail Electricity Supplier's (RES) License RES-12-2016-016. It requires CESI to comply with all rules and regulations, and relevant issuances and directives of ERC governing the Retail Competition and Open Access. The license is non-transferrable and shall be valid for a term of five (5) years, renewable at the end of each term. In addition, CESI became a Direct Wholesale Electricity Spot Market Member under the RES category on February 3, 2017. CESI started commercial operations on August 26, 2017. On November 24, 2021, the RES license was renewed for another five (5) years from December 8, 2021 to December 27, 2026.

The principal place of business and registered office address of CESI is located at 11th floor, Rockwell Santolan Town Plaza, 276 Col. Bonny Serrano Avenue, San Juan City, Metro Manila.

(e) Citicore Solar Energy Corp. (CSEC) Group

The following are the subsidiaries and joint venture of CSEC:

	Date of incorporation	Registered address
Subsidiaries:		
Greencore Power Solutions 1, Inc. (GPS1)	June 8, 2018	San Juan
Citicore Batangas 1, Inc. (CSB1) (formerly Greencore Power Solutions 4, Inc. or GPS4)	June 8, 2018	Pasig
Citicore Batangas 2, Inc. (CSB2) (formerly Greencore Power Solutions 2, Inc. or GPS2)	October 17, 2018	Pasig
Greencore Power Solutions 5, Inc. (GPS5)	August 16, 2022	San Juan
Citicore Solar Pampanga 1 Inc. (CSPam1)	January 27, 2023	San Juan
Citicore Solar Pampanga 2 Inc. (CSPam2)	February 17, 2023	San Juan
Citicore Solar Tarlac 3, Inc. (CST3)	January 16, 2023	San Juan
Citicore Solar Tarlac 4 Inc. (CST4)	March 14, 2023	San Juan
Citicore Solar Pangasinan Inc. (CSPan)	March 31, 2023	San Juan
Citicore Solar Pangasinan 2 Inc. (CSPan2)	April 25, 2023	San Juan
Citicore Solar Quezon (CSQ)	March 1, 2023	San Juan
Citicore Solar Negros Occidental, Inc. 2 (CSNOI2)	January 16, 2023	San Juan
Citicore Solar Bulacan 2, Inc. (CSBul2)	June 8, 2023	San Juan
Joint venture:		
Greencore Power Solutions 3, Inc. (GPS3)	October 17, 2018	Arayat, Pampanga

CSEC was registered with the SEC on July 20, 2018. CSEC's primary purpose is to engage in power generation under the Renewable Energy Law.

CSEC's registered office address and principal place of business is located at 11th Floor, Rockwell Santolan Town Plaza 276 Col. Bonny Serrano Avenue San Juan City, Metro Manila.

GPS1 was registered with the SEC on June 8, 2018. GPS1's primary purpose is to engage in power generation under the Renewable Energy law.

GPS1 entered into a Joint Venture Agreement ("JV Agreement") with CPI and the Parent Company to do the operation, maintenance, rehabilitation, and expansion of power distribution system of the Authority Freeport Area of Bataan (AFAB) Project.

CSB2 was registered with the SEC on October 17, 2018. CSB2's primary purpose is to engage in power generation under the Renewable Energy Law. CSB2 is still at pre-operating stage as at December 31, 2022. As at December 31, 2023, CSB2 has already obtained necessary permits and licenses for its 75 MW Bolbok 2 Solar Power Project and is incurring project development costs for the said project. CSB1's principal place of business and registered office address is located at 45 San Miguel, San Miguel Avenue, Ortigas Center, Pasig City.

GPS3 was registered with the SEC on October 17, 2018. GPS3's primary purpose is to engage in power generation under the Renewable Energy Law.

On December 23, 2019, the Parent Company obtained SESC 2019-12-558 as RE Developer of Arayat Solar Power Project located in Arayat and Mexico Pampanga. Subsequently, the Parent Company executed Deed of Assignment with GPS3 to assign its entire rights and obligations under the aforementioned SESC to GPS3. On March 5, 2020, GPS3's BOD authorized the application for, processing, and/or obtaining an Amended Service Contract for the Arayat Solar Power Project located at Brgy. San Antonio, Municipality of Arayat, Pampanga from the DOE. On February 24, 2021, the DOE granted certificate of registration for SESC 2019-12-558-AFI to certify GPS3 as the new RE Developer. This shall serve as basis of entitlement of GPS3's incentives under the RA No. 9513.

On February 21, 2020, the Parent Company and ACE Endevor, Inc. (Endevor) entered into a Framework Agreement for the joint development, ownership, and operation of solar and other power plants in the Philippines.

On February 4, 2021, GPS3, CSEC, Endevor and AC Energy Corporation (ACEN) entered into a Shareholders' Agreement wherein CSEC and ACEN, including Endevor, will hold 50:50 interest in GPS3. On the same date, following the execution of the Shareholders' Agreement, ACEN and Endeavor executed a Subscription Agreement equivalent to its 50% share of the GPS3.

Endevor was registered with the SEC on November 10, 2014 and its primary purpose is to engage in all aspects of exploration, assessment, development and utilization of renewable and other energy resources and storage of electricity. Endevor is a subsidiary of ACEN. ACEN, a company listed in the PSE, is a subsidiary of AC Energy and Infrastructure Corporation (ACEIC). ACEN is engaged in electric power generation, transmission and distribution. ACEIC is a subsidiary of Ayala Corporation (AC), a company listed in the PSE.

On March 15, 2022, GPS3 successfully connected its Arayat Phase 1 Project to the grid and started delivering power. The Arayat Phase 1 Project has a capacity of 71.99 MW.

On May 5, 2022, the DOE and GPS3 entered in another Solar Energy Operating Contract (SEOC) for the development, construction, installation, commissioning, and operation of a solar energy system which is also located in Mexico and Arayat, Pampanga. This project has a capacity of 43.68MW (the "Arayat Phase 2 Project") under SEOC No. 2022-04-623. GPS3 started its construction of the Arayat Phase 2 Project on May 26, 2022. On March 22, 2023, GPS3 has successfully connected its Arayat Phase 2 Project to the grid and started delivering power.

The principal place of business and registered office address of GPS3 is located at Lot 4 Magalang - Arayat Road, Barangay San Antonio, Arayat, Pampanga.

Prior to February 27, 2020, GPS1, CSB2 and GPS3 are wholly-owned subsidiaries of CPI. On February 27, 2020, CPI signed a Deed of Absolute Sale of Shares in favor of CSEC. CPI agreed to sell, assign, transfer and convey, absolutely, its ownership on GPS1, CSB2 and GPS3 to CSEC.

Following CSEC's loss of control in GPS3 in 2021, GPS3's financial information was deconsolidated. The details of the account balances that were deconsolidated are disclosed in Note 19.

CSB1 was registered with the SEC on June 8, 2018. CSB1's primary purpose is to engage in power generation under the Renewable Energy law. CSB1 is still at pre-operating stage as at December 31, 2022. As at December 31, 2023, CSB1 has already obtained necessary permits and licenses for its 50 MW Tuy 4 Solar Power Project and is incurring project development costs for the said project. In 2023, the Parent Company and CSEC entered into a Deed of Absolute Sale of Shares with respect to 2,999,995 shares of CSB1 as approved by CSEC's BOD on February 13, 2023. CSB1's principal place of business and registered office address is located at 45 San Miguel, San Miguel Avenue, Ortigas Center, Pasig City. As at June 30, 2024, CSB1 has commenced construction works of the Solar Power Projects.

GPS5 was registered with the SEC on August 16, 2022. Its primary purpose is to engage in power generation under the Renewable Energy law. GPS5 is still at pre-operating stage as at June 30, 2024. GPS5's principal place of business and registered office address is located at 11th floor, Rockwell Santolan Town Plaza, 276 Col., Bonny Serrano Avenue, San Juan City.

During 2023, CSPam1, CSPam2, CST3, CST4, CSPan, CSPan2, CSQ, CSNOI2 and CSBul2 were incorporated in the Philippines. These entities were registered with the SEC primarily to engage in power generation under the Renewable Energy Law.

(f) Citicore Wind Cagayan, Inc. (CWCI)

CWCI was registered with the SEC on June 15, 2022 primarily to engage in power generation under the Renewable Energy Law. On November 22, 2022, CWCI obtained its Wind Energy Service Contract (WESC) No. 2022 10-227 with DENR expiring on November 22, 2047 extendible for another 25 years. On December 20, 2022, CWCI obtained its WESC Nos. 2022-11-234, 2022-11-233 and 2022-11-235 with DENR expiring on December 20, 2047 extendible for another 25 years. CWCI is still at pre-operating stage as at December 31, 2023. The Group is on the process of application to change CWCI's corporate name to Citicore Wind Guimaras 1, Inc. (CWG1). CWCI's registered office, which is also its principal place of business, is located at 11th Floor, Rockwell Santolan Town Plaza, 276 Col Bonny Serrano Ave., San Juan City.

(g) Citicore Wind Energy Corporation (CWEC) and its subsidiaries

CWEC was registered with the SEC on October 25, 2022 primarily to engage to operate, manage, and engage in the business of electric power generation, transmission and distribution that includes operation of generation facilities, transmission, and distribution systems as well as electricity and transmission capacity exchanges for sale of electricity to its end-users except production of electricity through incineration of waste. CWEC's registered office, which is also its principal place of business, is located at 11th Floor, Rockwell Santolan Town Plaza, 276 Col Bonny Serrano Ave., San Juan City.

The following are the subsidiaries of CWEC:

	Date of incorporation	Registered address
Citicore Wind Pangasinan 1, Inc. (CWPan1)	April 20, 2023	San Juan
Citicore Wind Pangasinan 2, Inc. (CWPan2)	April 25, 2023	San Juan
Citicore Wind Quezon, Inc. (CWQ)	April 17, 2023	San Juan
Citicore Wind Ilocos Norte, Inc. (CWINI)	April 17, 2023	San Juan
Citicore Wind Iloilo 1, Inc. (CWI1)	May 17, 2023	San Juan
Citicore Wind Iloilo 2 Inc. (CWI2)	May 23, 2023	San Juan
Citicore Wind Cagayan 1, Inc. (CWC1)	May 2, 2023	San Juan
Citicore Wind Cagayan 2, Inc. (CWC2)	May 3, 2023	San Juan
Citicore Wind Guimaras 2, Inc. (CWG2)	June 6, 2023	San Juan
Citicore Wind Zambales 1, Inc. (CWZ1)	May 22, 2023	San Juan
Citicore Wind Zambales 2, Inc. (CWZ2)	June 6, 2023	San Juan
Citicore Wind Aklan, Inc. (CWA)	June 22, 2023	San Juan

CWPan1, CWPan2, CWQ, CWINI, CWI1, CWI2, CWC1, CWC2, CWG2, CWZ1, CWZ2 and CWA were registered in 2023 with the SEC to primarily engaged in the business of and/or investing in, electric power exploration, development, generation, maintenance and operation; distribution and supply of electricity either in retail, wholesale or bulk; and the ownership, construction, operation, and maintenance of transmission facilities to connect its power production facilities to the grid or distribution system. These companies are still at the pre-operating stage as at December 31, 2023.

(h) Citicore Landholdings, Inc. (CLHI)

CLHI was registered with the SEC on October 16, 2023. CLHI is registered primarily to purchase, subscribe for, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, develop, mortgage, pledge, exchange, deal in and with or otherwise dispose of, any and all properties of every kind and description, and wherever situated and as to the extent permitted by law.

CLHI's registered office, which is also its principal place of business, is located at 11th Floor, Rockwell Santolan Town Plaza, 276 Col Bonny Serrano Ave., San Juan City.

1.3 Approval of the condensed consolidated financial statements

The condensed consolidated financial statements have been approved and authorized for issuance by the Parent Company's BOD on August 12, 2024.

2 Additional notes in compliance with Philippines Accounting Standard (PAS) 34

1. There are no seasonal aspects that have a material effect on the condensed consolidated interim financial statements. The Company's revenues (including rental income from investment properties) are correlated to the amount of electricity generated by its solar power plant and the solar power plants operating on the investment properties, which in turn is dependent upon irradiance and weather conditions. Irradiance and weather conditions have natural variations from season to season and from year-to-year and may also change permanently because of climate change or other factors. The Company believes that such seasonality is effectively managed as the Company and its lessees have installed systems to monitor the daily output of such solar power plants and calibrate and improve output, as the need arises, based on an expected performance ratio.

2. The Company entered into various significant agreements for the period ended June 30, 2024 which includes disposition of shares in a subsidiary and loan financing agreements.

    a. On March 15, 2024, the Parent Company and CST1 sold a combined 28.79% interest in CREIT to SM Investments Corporation, which was completed on March 27, 2024. As a result, the Group's remaining effective interest in CREIT as of reporting date is 32.88%.

    b. On March 19, 2024, the Group secured a financing arrangement of up to P20.0 billion with Rizal Commercial Banking Corporation (RCBC) for funding of multiple power plant projects with a combined installed capacity of at least 600.0 MW and up to approximately 1.0 GW of solar energy capacity. The financing arrangement includes an initial funding tranche covered by 3 omnibus loan and security agreements entered into by and among (i) CSNO2 as borrower and RCBC as lender, (ii) CS Pampanga 1 as borrower and RCBC as lender, and (iii) CSBat2 as borrower and RCBC as lender. The proceeds of the initial funding tranche from the RCBC OLSAs of approximately P9.0 billion will be applied towards the development of the Group's solar power projects in Batangas, Pampanga and Negros Occidental in the "Ready-to-build"/"Under Construction" stages of development. The proceeds of subsequent tranches of the financing arrangement will be applied towards the development of solar energy power projects in various stages of development.

    c. On April 29, 2024, Citicore Land Holdings, Inc. (CLHI) executed term loan facility agreements of approximately P1.6 billion for the acquisition of real estate assets in Quezon and Pangasinan with the Philippine National Bank (PNB). As at June 30, 2024, CLHI was able to draw the first tranche in the amount P480 million.

3. Related party transactions include advances to (from) related parties which are made to finance working capital requirements including sale of electricity, service revenue, customer deposits, purchase of power, shares subscriptions, lease agreements, security deposits and advances to contractors. (Note 11).

4. Refer to Note 14 (a) for the disaggregation of the Company's revenue from contracts with customers recognized for the period ended June 30, 2024 and 2023.

5. The Company's equity transactions for the period ended June 30, 2024 includes movement in Other reserves and Additional paid-in capital (Note 14).

6. There were no items not in the ordinary course of business for the period ended June 30, 2024 that affected assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

7. There were no changes in management's use of estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

8. There were no other off-balance sheet arrangements or obligations for the period ended June 30, 2024 that were likely to have a current or future effect on the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

9. There are no significant elements of income or loss for the period ended June 30, 2024 that did not arise from the Company's continuing operations.

10. Any material changes from period to period in any line items of the Company's condensed interim financial statements that have not been explained were the results of normal fluctuations in operations.

3 Cash and cash equivalents

Cash and cash equivalents as at reporting periods consist of:

	June 30, 2024	December 31, 2023
Cash on hand	651,000	571,000
Cash in banks	12,872,748,756	2,349,700,795
Short-term placements	53,060,821	53,060,821
	12,926,460,577	2,403,332,616

Cash in banks generally earn interest based on prevailing bank deposit rates.

Short-term placements represent money market placements or short-term investments with maturities up to three months.

Interest income earned from cash in banks and short-term placements for the periods ended June 30 is as follows:

	Note	2024	2023
Interest income	17	8,337,144	13,539,472

4 Trade and other receivables, net

Trade and other receivables, net as at reporting periods consist of:

	Note	June 30, 2024	December 31, 2023
Current			
Trade receivables			
Third parties		516,488,380	467,262,858
Related parties	11	28,535,302	14,735,464
		545,023,682	481,998,322
Allowance for doubtful accounts		(6,544,221)	(4,600,125)
		538,479,461	477,398,197
Due from related parties	11	2,505,733,000	4,336,858,150
Other receivables		4,272,508	5,768,572
Allowance for doubtful accounts		(1,944,096)	(1,944,096)
		2,328,412	3,824,476
		3,048,484,968	4,818,080,823
Non-current			
Trade receivables		121,542,084	138,477,773
Lease receivables	11	70,257,214	69,274,161
		191,799,298	207,751,934
		3,240,284,266	5,025,832,757

Trade receivable from third parties pertains to amounts collectible from contestable customers, local retail electricity suppliers, National Transmission Corporation (TransCo) and the electricity market operator - Independent Electricity Market Operator of the Philippines (IEMOP) for the transactions in the Wholesale Electric Spot Market (WESM) for sale of electricity, and from the Authority Freeport Area of Bataan (AFAB) and GPS3 for operations and management service fees.

Trade receivables are usually collected within 25 to 60 days. Certain contracts with customers include interest payments for late payments. Interest income earned related to the interest-bearing receivables from third parties for the periods ended June 30 follow:

	Note	2024	2023
Interest income	17	1,762,729	3,476,392

In 2022, South Cotabato Electric Cooperative 1 (SOCOTECO-1) and CSSCI approved the five-year recovery plan payment terms on back billings. Consequently, the trade receivable was restructured based on the payment terms and certain receivables were reclassified from non-current to current.

Details of trade receivables from SOCOTECO-1 for the reporting periods follow:

	Current	Non-current	Total
June 30, 2024			
Trade receivables	7,709,530	17,346,442	25,055,972
Discount on receivables	(1,320,391)	(1,295,672)	(2,616,063)
	6,389,139	16,050,770	22,439,909
December 31, 2023			
Trade receivables	8,351,991	21,201,207	29,553,198
Discount on receivables	(1,531,993)	(1,902,077)	(3,434,070)
	6,819,998	19,299,130	26,119,128

Interest income arising from amortization of discount on trade receivables from SOCOTECO-1 for the periods ended June 30 follows:

	Note	2024	2023
Interest income	17	1,032,777	1,736,586

In 2020, the ERC issued Resolution No. 06, Series of 2020, which was further clarified in February 2021, to confirm that the actual recovery of the arrears FIT rate adjustment from TransCo shall be for a period of five (5) years.

For CREIT, those from January 2016 generation shall start billing in December 2020 and collection schedule starts in January 2021. Additional revenue recognized during December 2021 amounting to P83.5 million relating to FIT-rate adjustment will be collected within the next five (5) years after December 31, 2021.

For CSSCI, those from October 2017 generation shall start billing in September 2022 and collection schedule starts in October 2022 as confirmed and agreed by both parties. Hence, during 2022, additional revenue amounting to P18.0 million was recognized related to FIT-rate adjustments for the generation from 2017 to be collected in five (5) years starting October 2022.

For CSBI, those from February 2017 generation shall start billing in January 2022 and collection schedule starts in March 2022 as confirmed and agreed by both parties. Hence, during 2022, additional revenue amounting to P53.8 million was recognized related to FIT-rate adjustments for the generation from 2016 to be collected in five (5) years starting February 2022.

Details of FIT adjustment trade receivables from TransCo for the reporting periods follow:

	Current	Non-current	Total
June 30, 2024			
Trade receivables	50,769,520	133,340,227	184,109,747
Discount on receivables	(5,582,591)	(27,848,913)	(33,431,504)
	46,186,929	105,491,314	150,678,243
December 31, 2023			
Trade receivables	37,544,106	124,649,180	162,193,286
Discount on receivables	(6,045,145)	(5,470,537)	(11,515,682)
	31,498,961	119,178,643	150,677,604

Interest income arising from amortization of discount on trade receivables from TransCo for the periods ended June 30 follows:

	Note	2024	2023
Interest income	17	4,490,322	6,258,186

Other receivables consist of refunds for overpaid insurance receivables from third party for the sale of property, plant and equipment which have been fully provided with allowance.

Movements in the allowance for doubtful accounts for the reporting periods are as follows:

		June 30, 2024			December 31, 2023		
	Note	Trade	Others	Total	Trade	Others	Total
Beginning		4,600,124	1,944,096	6,544,220	5,740,728	1,944,096	7,684,824
Provisions (reversals)	15	-	-	-	(1,140,604)	-	(1,140,604)
Write-off		-	-	-	-	-	
Ending		4,600,124	1,944,096	6,544,220	4,600,124	1,944,096	6,544,220

In determining the recoverability of trade and other receivables, the Group considers the shared credit risk characteristics of debtors and the accounts' days past due and for certain receivables, the changes in the credit quality from the date the credit was initially granted up to the end of the reporting period. Accordingly, based on management's assessment, the Group believes that there is no further allowance for doubtful accounts required in excess of those that were already provided as at and for the periods ended June 30, 2024 and December 31, 2023.

The Group does not hold any collateral as security. None of the trade and other receivables that are fully performing have been renegotiated.

5 Prepayments and other current assets

Prepayment and other current assets as at reporting periods consist of:

	June 30, 2024	December 31, 2023
Input value-added tax (VAT)	285,293,112	239,349,771
Prepaid taxes	147,547,380	108,921,487
Deferred debt issuance costs	127,060,656	83,344,525
Deferred share issuance costs	-	58,021,810
Prepaid expenses	13,133,970	9,460,816
Advances to suppliers	22,358,865	6,499,256
Advances to employees	7,487,047	3,268,245
Inventory	7,125,013	-
Others	280,408	40,891
	610,286,451	508,906,801

Input VAT represents VAT on purchases of goods and services that are significantly from acquisition and construction of solar power plants, which can be recovered either as tax credit against future output VAT or through refund.

Prepaid taxes include creditable withholding taxes, income tax credits and advance payment for real property taxes.

Deferred share and debt issuance costs pertain to expenses incurred relative to the fund-raising activities of the Group through issuance of shares and availment of loans and other debt instruments. Other details are discussed in Note 10.

Advances to suppliers represent prepayment of supplies or services which will be delivered or rendered within the next 12 months.

Prepaid expenses pertain to advance payment made for insurance, rent and for the implementation of a new information system.

Advances to employees represent unliquidated cash advances for business related purposes and are to be liquidated from completion of the activities.

6 Property, plant and equipment, net

Details and movements of property, plant and equipment, net as at and for the reporting periods are as follows:

	Notes	Land	Solar plant and equipment	Other equipment	Service vehicles	Leasehold improvements	Furniture and fixtures	Construction in progress	Total
Cost									
January 1, 2023		54,287,512	4,298,821,727	4,421,403	1,914,554	551,029	448,786	2,004,343	4,362,449,354
Additions		4,363,933,644	1,131,672	2,814,440	82,065	-	947,128	1,847,806,755	6,216,715,704
December 31, 2023		4,418,221,156	4,299,953,399	7,235,843	1,996,619	551,029	1,395,914	1,849,811,098	10,579,715,704
Additions		487,809,444	323,566	8,323,235	163,358	-	82,059	4,792,639,765	5,289,341,427
June 30, 2024		4,906,030,600	4,300,276,961	15,559,078	2,159,980	551,029	1,477,973	6,642,450,863	15,868,506,485
Accumulated depreciation and amortization									
January 1, 2023		-	1,125,883,287	2,060,855	428,138	192,861	237,132	-	1,128,802,273
Depreciation and amortization	15, 16	-	140,408,449	1,682,235	278,110	110,205	225,451	-	142,704,450
December 31, 2023		-	1,266,291,736	3,743,090	706,248	303,066	462,583	-	1,271,506,723
Depreciation and amortization	15, 16	-	70,250,367	1,202,743	126,876	55,104	318,595	-	71,953,682
June 30, 2024		-	1,336,542,100	4,945,833	833,124	358,170	781,178	-	1,343,460,405
Net book values									
June 30, 2024		4,906,030,600	2,963,734,865	10,613,245	1,326,853	192,859	696,795	6,642,450,863	14,525,046,080
December 31, 2023		4,418,221,156	3,033,661,663	3,492,753	1,290,371	247,963	933,331	1,849,811,098	9,307,658,335

(a) Clark Solar Power Project

The 22.33 MW Clark Solar Power Project of CREIT was funded through a Term Loan Facility Agreement with Development Bank of the Philippines (DBP) (Note 10). The solar plant and equipment include capitalized borrowing costs amounting to P13.7 million during the construction period of the solar plant. CREIT's solar plant and equipment are pledged as collateral under the chattel mortgage agreement entered into in relation to this agreement. The loan has been paid in full in 2022.

(b) Centrala Solar Power Project

The 6.25 MW Centrala Solar Power Project of CSSCI was funded through a Term Loan Facility Agreement with DBP (Note 10). The solar plant and equipment include capitalized borrowing costs amounting to P17.7 million during the construction period of the solar plant. In March 2022, CSSCI pre-terminated the loan by paying in full the amount of principal and interest due from the Term Loan Facility Agreement (Note 10).

(c) Others

Other significant components of property, plant and equipment include the 8.84 MW Armenia Solar Project of CST1, 7.48 MW Dalayap Solar Project of CST2 and 15.00 MW Bulacan Solar Project of CSBI. During 2023 and 2024, the Group's significant additions were for the following projects:

- Luntal-Lumbangan Solar Power Project (140.0 MW) of CSB2 (formerly GPS2);
- Bolbok 2 Solar Power Project (75.00 MW) and Tuy 4 Batangas Solar Power Project (50.00 MW) of CSB1 (formerly GPS4);
- Arayat 3A Solar Power Project (30.00 MW) of CSPam1; and
- San Manuel 1 Solar Power Project (80.10 MW) of CSPan2.

Capitalized borrowings cost for these ongoing projects amounted to P297.5 million for the six-month period June 30, 2024 (June 30, 2023 – P108.8 million).

Construction in progress represents accumulated costs incurred in the construction of the Group's power plant, as well as development costs in securing permits and other documentary requirements prior to the planned construction of the Group's power plants.

Depreciation expenses for the periods ended June 30 are recognized as follows:

	Notes	2024	2023
Cost of services	15	70,250,364	76,506,096
Operating expenses	16	1,703,318	2,267,778
		71,953,682	78,773,874

Based on the results of management assessment, the Parent Company believes that there were no indicators of impairment as at and for the periods ended June 30, 2024 and December 31, 2023.

As at June 30, 2024 and December 31, 2023, the development costs capitalized comprise mainly of development fee and land conversion costs such as consultancy costs, costs of formal filing of land conversion use and ocular inspection of property.

Based on the results of management assessment, the Group believes that there were no indicators of impairment as at June 30, 2024 and December 31, 2023.

7 Business acquisitions

In 2018, the Parent Company acquired the following companies from third parties:

a. CREIT through acquisition of 12,147,996 common shares and 2,883,370 preferred shares representing 100% ownership interest;
b. SSHI through acquisition of 2.4 million common shares and 85 million preferred shares representing 100% ownership interest; and
c. CSHI through acquisition of 5 million common shares representing 100% ownership interest.

The total consideration and determined fair values of the net assets acquired at the date of acquisition are as follows:

	Amount
Purchase consideration	4,467,912,485
Fair value of net assets acquired	(3,188,786,370)
Goodwill	1,279,126,115

The determined fair values of the assets and liabilities as at the date of acquisition are as follows:

	Fair value
Cash and cash equivalents	529,059,204
Trade and other receivables	321,177,651
Prepayments and other current assets	207,890,593
Property, plant and equipment	6,720,895,371
Trade and other payables	(778,891,186)
Loans payable	(3,805,473,836)
Other non-current liabilities	(5,871,425)
	3,188,786,372

Based on the results of management assessment, the Group believes that goodwill is not impaired as at and for the periods ended June 30, 2024 and December 31, 2023.

In 2020, CPI assigned 100% interest in CESI, CSB1 (formerly GPS4) and CSEC to the Parent Company for a consideration equivalent to the book value of each of the companies' share capital. The acquisition was accounted for under the pooling of interest method where the Group did not restate the acquired businesses or assets and liabilities to their fair values. No goodwill was recorded from the acquisition. The excess of the consideration from the book value of the net assets acquired amounting to P101.5 million was recognized under other reserves within equity in the consolidated statements of financial position.

The assets and liabilities acquired in 2020 are as follows:

	CESI	CSB1 (formerly GPS4)	CSEC
Assets			
Cash and cash equivalents	38,713,867	-	-
Trade and other receivables	44,753,749	515,030	24,486,725
Prepayments and other current assets	18,812,169	-	-
Property, plant and equipment	70,987	-	-
Right-of-use assets	1,671,367	-	-
Other non-current assets	15,310,114	-	-
Liabilities			
Trade and other payables	206,065,009	-	-
Lease liabilities	1,536,271	-	-
Customers deposits	12,174,231	-	-
Deferred income tax liabilities	40,529	-	-

In 2022, the Parent Company, sold 966 million CREIT shares to SM Investments Corporation. As a result of the sale, goodwill from CREIT acquisition amounting to P402 million was derecognized in the books.

8 Other non-current assets

Other non-current assets as at reporting periods consist of:

	Note	June 30, 2024	December 31, 2023
Electric utility deposits		140,175,202	177,660,054
Downpayments to land owners		-	98,235,487
Cash bonds		43,968,719	36,170,854
Intangible assets, net		12,860,947	6,831,395
Security deposits	18	4,141,597	11,744,391
Restricted cash		6,023,318	5,176,752
		207,169,783	335,818,933

Electric utility deposits represent deposits to an electric power distribution company which are to be refunded after the service is terminated, usually 1 to 2 years, and all bills have been paid and prudential requirements and bill deposits set by power suppliers as security in case of default of payment by the Group.

Downpayments to land owners represent payment made to third parties for future land acquisition. Land to be acquired will be used for future expansion of the Group where the solar power plants will be constructed.

Cash bonds pertain to deposits to Department of Agrarian Reform (DAR) for the land conversion from agricultural to industrial use which are refundable after 12 to 24 months.

Restricted cash pertains to cash deposited in a local bank pursuant to Section 5(i) of RA No. 7638, otherwise known as, the “Department of Energy Act of 1992”, Energy Regulation No. 1-94. Under the regulation, generation companies and/or energy resource development facilities shall set aside one centavo per kilowatt-hour of the total electricity sold as financial benefits to the host communities.

Intangible assets pertain to computer software purchased by the Group. Details for the reporting periods follows:

	June 30, 2024	December 31, 2023
Cost		
Beginning	13,392,856	7,924,829
Additions	6,115,241	5,468,027
Ending	19,508,097	13,392,856
Accumulated amortization		
Beginning	6,561,461	4,828,996
Amortization	85,689	1,732,465
Ending	6,647,150	6,561,461
Net book value	12,860,947	6,831,395

Amortization expense for the periods ended June 30 is recognized as follows:

	Note	2024	2023
Operating expenses	16	85,689	1,122,425

Based on the results of management assessment, the Group believes that there were no indicators of impairment as at and for the periods ended June 30, 2024 and December 31, 2023.

9 Trade and other payables

Trade and other payables as at reporting periods consist of:

	Notes	June 30, 2024	December 31, 2023
Trade payables			
Third parties		544,673,860	477,090,461
Related parties	11	166,847,897	130,920,856
		711,521,757	608,011,317
Interest payable	10	267,713,785	249,545,429
Due to government agencies		153,911,483	109,046,112
Accrued expenses		23,075,802	21,323,030
Deferred rent income	11	-	2,401,024
Advances from related parties	11	-	618,514
Others		2,577,750	2,093,700
		1,158,800,577	993,039,126

Trade payables are normally due within a 30-day period.

The due to government agencies pertains to unpaid business taxes to a local government unit, withholding taxes payable, output VAT payable and other statutory contributions.

Accrued expenses mainly include utilities, operations and maintenance expenses, which are normally settled the following month.

10 Borrowings

The short term and long-term borrowings consist of:

	Notes	June 30, 2024	December 31, 2023
Current:			
Bank Loans		514,802,643	453,614,073
Noncurrent:			
Bank Loans		14,177,139,001	7,306,853,945
		14,691,941,644	7,760,468,018

(a) Loans payable - DBP

The Parent Company has outstanding loans payable with DBP (the “Lender”) as at June 30, 2024 amounting to P5.3 billion (December 31, 2023 - P5.4 billion).

The classification of loans payable as at reporting periods is as follows:

	June 30, 2024	December 31, 2023
Current	514,802,643	453,614,073
Non-current	4,755,736,668	4,993,481,205
	5,270,539,311	5,447,095,278

Movements in loans payable for the reporting periods are as follows:

	Note	June 30, 2024	December 31, 2023
Beginning		5,447,095,278	5,842,959,352
Payments		(176,555,967)	(395,864,074)
Ending		5,270,539,311	5,447,095,278

Parent Company

The Parent Company entered into an Omnibus Loan and Security Agreement (OLSA) dated October 19, 2018 with DBP as the lender, CPI as third-party share chargor and surety, and Development Bank of the Philippines - Trust Banking Group (the "Project Account Agent") as facility agent, accounts agent and collateral agent.

To secure the obligations of the Parent Company under the OLSA, the Parent Company and CPI have agreed to provide certain collateral security for the payment of the Parent Company's obligation in favor of the lender, including:

i) first ranking share charge over charged shares held by the Share Chargor;
ii) an assignment of all rights, title, interest and benefits of the Assignor in and to the assigned collateral; and
iii) suretyship of the surety.

In 2018, the Parent Company requested for a loan facility from the Lender in the aggregate principal amount of up to P2.8 billion to finance the Parent Company's general corporate requirements.

The Parent Company shall fully pay and liquidate the principal amount of the loan within 15 years from and after the date of initial drawdown, with payments to be made in 58 consecutive quarterly installments to commence at the end of the 9th month after the date of initial drawdown.

The interest rate applicable to the loan or the relevant part thereof for each interest period shall be the (i) benchmark rate as at the relevant interest rate setting date, and (ii) the interest margin. The Parent Company shall pay interest quarterly in arrears on the outstanding principal amount of the loan on each interest payment date.

As long as the loan agreement is in effect and until payment in full of the loan and all other amounts due under the agreement, the Parent Company agrees that, unless the lender shall otherwise consent in writing, it shall not:

i) make or permit any material change in the character of its existing business, or engage in any business operation or activity other than that for which it is presently authorized by applicable law;
ii) permit any material change in ownership or control of its business or of its share capital;
iii) declare or pay dividends, other than dividends payable solely in shares of its share capital, or make any other capital or asset distribution to the shareholders unless the following conditions are satisfied: (a) it is in compliance with the financial covenants; (b) the debt service accounts are duly maintained and funded; (c) no default shall have occurred and is continuing; (d) its debt service coverage ratio exceed 1.30:1.00 pre-distribution and 1.20:1.00 post-distribution and;
(e) payment shall be made out of the Borrower's unrestricted retained earnings;
iv) sell, lease and transfer or otherwise dispose of all or substantially all of its properties and assets, divest any of its existing investments, or consolidate or merge with any other corporation, or acquire all or substantially all of the properties or assets of any other person except (a) those in the ordinary course of business; or (b) where it is the surviving entity;
v) extend any loan or advance to any of its directors or officers except in the ordinary course of business, on arm's length terms, and not to exceed P5,000,000 per person and P50,000,000 in the aggregate at any time;
vi) incur additional loan or act as surety;
vii) loans and advances to any person other than those allowed or to related parties;
viii) permit any debt to be secured by or benefit from any lien; and
ix) make any prepayment in respect of any debt for money borrowed unless it shall contemporaneously make a proportionate prepayment on the loan.

Under the OLSA, the Parent Company shall maintain at all times during the entire term of the loan a debt-to-equity ratio (DER) of not exceeding 3: and debt service coverage ratio (DSCR) of not less than 1.10:1. In 2024 and 2023, the Parent Company complied with all of the covenants.

In the event of default, the Lender, upon written notice to the Parent Company, shall declare the commitment to be terminated. Consequently, the obligation of the lender to make or maintain the advance in the agreement likewise terminate and accelerate payment and declare the entire unpaid principal amount, all interest accrued and unpaid thereon and all other amounts payable to be immediately due and payable.

Outstanding loans payable related to this loan agreement as at June 30, 2024 amounted to P2.13 billion (December 31, 2023 - P2.22 billion).

Citicore Solar Cebu, Inc. (CSCI)

In 2016, CSCI, an entity under common control, entered into an Omnibus Loan and Security Agreement (OLSA) with DBP. The loan principal shall be amortized semi-annually over 15 years, beginning 12 months after date of commercial operations. CSCI has fully drawn all the amounts from the said loan facility. The loan is secured and bear annual interest rates of 5.75%, subject to repricing on seventh year following the initial drawdown date.

In February 2022, the Parent Company assumed CSCI's outstanding loan with DBP with principal balance amounting to P3.7 billion and interest payable amounting to P166.2 million. As a result of the assignment, CSCI became indebted to the Parent Company for the same amount. This is considered as a non-cash transaction.

The assigned loan contract requires the Parent Company to maintain certain ratios including DER that should not exceed 3:1 and a DSCR that should not be less than 1.10:1. In 2024 and 2023, the Parent Company complied with all of the covenants.

CSCI's plant assets and improvements, including future improvements in the plant site, and the CPI's (parent company of CSCI) shares in CSCI are used as collaterals for the secured bank loans. Under the terms of the Deed of Assignment, the DBP has authorized the release of security agreement and its covered collateral on the leasehold rights over its project sites only. The carrying value of the mortgaged properties as at June 30, 2024 amounted to P3.6 billion (December 31, 2023 – P3.9 billion).

Outstanding loans payable related to this loan agreement as at June 30, 2024 amounted to P3.09 billion (December 31, 2023 - P3.23 billion).

(b) Loans payable - BDO

CSB1 entered into an Omnibus Loan and Security Agreement (OLSA) dated August 1, 2023, with amendments on October 23, 2023, with BDO Unibank, Inc. as the lender to secure a loan amounting to a total principal amount of P5.6 billion.

Details of the movements of the loans payable as at and for reporting periods are as follows:

	June 30, 2024	December 31, 2023
Principal drawdowns		
Beginning	2,400,090,000	
November 7, 2023		1,295,600,000
December 5, 2023		1,104,490,000
January, 16, 2024	776,270,000	
January 22, 2024	369,200,000	
February 21, 2024	620,600,000	
March 1, 2024	247,740,000	
March 21, 2024	19,860,000	
March 22, 2024	590,200,000	
	5,023,960,000	2,400,090,000
Debt issuance cost		
Beginning	(86,717,260)	
Additions	(2,148,550)	(87,111,873)
Amortization	-	394,613
	(88,865,810)	(86,717,260)
Ending	4,935,094,190	2,313,372,740

CSB1 shall repay the loan in equal quarterly installments commencing on the date falling six (6) months from the earlier of the commercial operations date of the power plants and the sunset date. Consecutively, payments shall be at each interest payment date, provided that the loan must be fully paid after 15 years from the initial drawdown.

CSB1 has a one-time option to set a fixed interest rate within three (3) years from the initial drawdown. As at June 30, 2024 and December 31, 2023, the entity has not exercised the conversion option and currently follows the floating interest rate structure wherein the interest rate shall be set for each drawdown and then repriced on each quarterly interest payment date.

Under the OLSA, CSB1 shall maintain a DSCR of at least 1.10 times, and a DER not exceeding 2.33 times. The covenants are still not in effect until commercial operations date.

If an event of default shall have occurred, the lender may, by written notice to the borrower, declare the commitment terminated or declare the loan, as well as all interest accrued and unpaid thereon, and all other amounts owed to be due and payable immediately or on such date as the lender may specify in the notice.

(c) Loans payable – RCBC

On March 19, 2024, CSPam1, as borrower, executed an OLSA with RCBC, as lender to finance the development of the 30MWac solar power project located in Arayat, Pampanga. The facility aggregates to P1,314,055,905.23 for a period of 14 years. Interest is payable semi-annually based on applicable interest rate whereas the first repricing date is set on the third anniversary of the closing date and the second repricing date on the eight anniversary.

As security for the timely payment, discharge, observance and performance of the obligations, CSPam1 agrees to the creation of real asset mortgage and the share collateral security grantor grants a first ranking lien and continuity security in favor of the security trustee. CSPam1 is also required to maintain interest-bearing project accounts, which will be special segregated cash collateral accounts (except as the Distribution Account), which shall not form part of the Account Collateral.

CSPam1 is also required certain covenants including the maintenance of DE ratio of not exceeding 2.33 times and DSCR of at least 1.05 times.

(d) Loans payable – PNB

On April 29, 2024, CLHI, as borrower and CREC, as sponsor, signed an OLSA with PNB, as lender and collateral trustee to extend the following credit facility in order to finance up to seventy percent of the cost of acquiring the below properties.

Property	**Tranche**	**Facility amount**
Pangasinan 2, Binalonan	Tranche A	Php 555,822,475
Pangasinan 1, Sta Barbara	Tranche B	318,977,766
Pagbilao	Tranche A	771,516,900
Total		Php 1,646,317,141

The loan has a maturity of three years with a grace period of six months commencing on the date of the initial advance. Principal payment is due at 3% each quarter after the grace period with a ballon payment of 70% at maturity date. Interest is paid based on applicable interest rate on a quarterly basis.

Under the facility, CLHI has agreed to the mortgage the assets as part of collateral and the sponsor to grant the PNB a first-priority security interest in the share collateral as security for the payment and performance of the obligations.

(e) Bonds payable

On February 10, 2023, CREIT issued at face value and listed its ASEAN Green Bonds in the Philippine Dealing & Exchange Corp. (PDEx). The ASEAN Green Bonds are denominated in Philippine Peso, maturing in five (5) years from the issue date and bear a fixed interest rate of 7.0543% per annum. Interest is payable quarterly in arrears on May 10, August 10, November 10, and February 10 of each year. Prior to the maturity date, CREIT has the right, but not the obligation, to redeem (in whole but not in part) the outstanding ASEAN Green Bonds on early redemption option dates as follows:

Early redemption option dates	Early redemption option price
On the 3rd anniversary of the issue date and every interest payment date preceding the 4th anniversary of the issue date	101%
On the 4th anniversary of the issue date and every interest payment date thereafter	100.5%

The ASEAN Green Bonds shall have the benefit of a negative pledge on all present and future assets and revenues of CREIT, subject to certain permitted liens. As at June 30, 2024, the carrying value of CREIT's assets amounted to P9.8 billion (December 31, 2023 – P9.7 billion). CREIT shall remain, for as long as any of the ASEAN Green Bonds remain outstanding, compliant with the aggregate leverage limit imposed by the REIT Law. Under the REIT Law, the total borrowings and deferred payments of a REIT should not exceed 35% of its deposited property, provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed 35% but not more than 70% of its deposited property and provided further that in no case shall its fund manager borrow for the REIT from any of the funds under its management. The ASEAN Green Bonds are rated Aa+ with stable outlook by PhilRatings. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the ASEAN Green Bonds are outstanding. As at June 30, 2024 and December 31, 2023, CREIT is compliant with these covenants.

CREIT incurred total bond issuance costs amounting to P47.3 million, of which P6.3 million was incurred in 2022 (Note 4).

The amortized cost of the ASEAN Green Bonds as at the reporting periods follows:

	June 30, 2024	December 31, 2023
Principal	4,000,000,000	4,000,000,000
Bond issuance cost		
Beginning	(40,123,213)	(47,339,062)
Amortization	4,266,551	7,215,849

Ending	(35,856,662)	(40,123,213)
	3,964,143,338	3,959,876,787

The proceeds of the ASEAN Green Bonds were used to acquire land assets and for land improvements to prepare the properties where the solar power plants of the Group will be constructed. The Group identified the ASEAN Green Bonds as a specific borrowing related to the construction of solar power plants. Construction of solar power plant includes, among others, acquisition of land/long term lease agreements with land owners, conversion and development of land where the solar power plant will be constructed, construction of solar power plant and finally testing before commercial operations. Total finance costs capitalized as part of construction in progress for the year ended December 31, 2023 amounted to P289.3 million which include amortization of bond issuance cost amounting to P7.2 million and net of interest income amounting to P25.2 million earned from the temporary investment of the proceeds from the ASEAN Green Bonds.

(f) Interest Payable

Movements of interest payable related to the loan agreements above for the reporting periods follow:

	Notes	June 30, 2024	December 31, 2023
Beginning		249,545,428	169,924,123
Interest expense	17	301,389,300	388,377,709
Capitalized interest		21,608,3	-
Assumed from CSCI		-	-
Interest payments		(283,220,943)	(307,756,404)
Ending	9	267,713,785	249,545,428

11 Related party transactions

Details of the Group's transactions and outstanding balances with its related parties as at and for the reporting periods are as follows:

	June 30, 2024		December 31, 2023		
	Transactions	Outstanding balance	Transactions	Outstanding balance	Terms and conditions
Advances from related parties					
Entities under common control	618,514	-	(618,514)	(618,514)	Advances to (from) related parties are made to finance working capital requirements or to assume receivables and payables to (from) related parties and/or third parties. Advances to (from) related parties are unsecured, with no guarantee, non-interest bearing, collectible (payable) in cash on demand.
		-			
Advances to related parties					
Parent Company	474,881,892	921,299,145	(2,324,458,081)	446,417,253	Advances to (from) related parties are made to finance working capital requirements or to assume receivables and payables to (from) related parties and/or third parties. Advances to (from) related parties are unsecured, with no guarantee, non-interest bearing, collectible (payable) in cash on demand.
Entities under common control	(2,306,007,043)	1,584,433,854	60,504,419	3,890,440,897	
		2,505,732,999		4,336,858,150	
Loan receivable			-	-	
Joint venture	-	-			
Interest			-	-	
Joint venture	-	-		-	
		2,505,732,999		4,336,858,150	
Deposits for future share subscription					
Entity under common control	(529,983)	736,663,804	50,000,000	737,193,787	Refer to Note 19.
Sale of electricity					
Entities under common control	28,024,017	22,905,079	128,363,334	11,530,464	Refer to (a) and Note 4.
Service revenue					
Joint venture	11,031,200	5,630,223	16,738,333	3,205,000	Refer to (a) and Note 4.
		28,535,302		14,735,464	
Customers deposits					
Entities under common control					
Return	-	(36,405,598)	8,016,369	(36,405,598)	Refer to (a) and Note 12.
Amortization	-	1,034,439	(1,109,025)	1,034,439	Refer to (a) and Note 12.
		(35,371,159)		(35,371,159)	
Purchase of power					
Entities under common control	389,767,226	(124,875,781)	814,056,300	(88,948,740)	Refer to (b) and Notes 9 and 15.
Joint venture	-	(41,972,116)	-	(41,972,116)	
		(166,847,897)		(130,920,856)	
Lease income					
Entities under common control	323,474,703	70,257,213	664,437,424	69,274,161	Refer to (d) and Note 4.
Security deposits					
Entities under common control					
Additions	-	(48,353,744)	-	(48,353,744)	
Accretion of interest expense	917,797	19,192,374	1,835,594	20,110,170	Refer to (d).
		(29,161,370)		(28,243,574)	
Deferred rent income					
Entities under common control					
Additions	-	(22,832,735)	-	(22,832,735)	Refer to (d).
Amortization	(1,200,511)	4,802,046	(2,401,024)	3,601,535	
		(18,030,689)		(19,231,200)	
Advances to contractor					
Entity under common control	2,804,643,108	4,482,097,571	1,677,454,463	1,677,454,463	Refer to (e).
Key management personnel					
Salaries, wages and other employee benefits	7,221,860	-	13,130,655	-	Salaries and wages are settled in cash based on payroll cut-off. Other employee benefits are payable in cash within the current year. There were no stock options or other long-term benefits provided in 2023, 2022, and 2021 nor amounts due to/from key management as at December 31, 2023 and 2022.
Retirement benefits	-	-	766,854	(4,455,521)	Refer to Note 13.

(a) Sale of electricity and customers deposits

In 2019, CESI has existing retail supply contracts with some related parties under common control for the supply of electricity based on its actual energy consumption. During 2020, the contract was amended for additional power supply. A bill deposit equivalent to 30 days projected average electricity cost is required to guarantee the customers' obligations to the Group. The details of customers deposits and corresponding day-one gain recognized during the year are presented in Note 11. The related outstanding balance is presented as customers deposits under the non-current liability section in the consolidated statements of financial position.

The sale of electricity was recognized as part of revenue in the consolidated statements of total comprehensive income. The related outstanding balance is presented as trade receivables from related parties under the trade and other receivables account in the consolidated statements of financial position (Note 4).

(b) Purchase of renewable energy

CESI entered into an agreement with CPI for the purchase of renewable energy to supply to its retail customers. The supply of electricity is sourced from the operating power plants of CPI's subsidiaries: 18 MW Mariveles Solar Power Plant in Bataan, 60 MW Toledo Solar Power Plant in Cebu, and 25 MW Silay Solar Power Plant in Negros Occidental. This is superseded by the Power Supply Agreement.

The affiliate suppliers are CSNO, CSBI and CSCI. The terms of agreement shall be for ten (10) years commencing on January 1, 2019. The contract price shall be equivalent to the prices established in the Retail Supply Contracts of the Group with its customers.

Billing period is 26th day of previous month to 25th day of current month. Billing invoice is issued within seven (7) business days after the end of billing period whereas payment is due on or before the 30th day of the succeeding month of the billing period.

The purchases of electricity were recognized as part of cost of services in the consolidated statements of total comprehensive income (Note 15). The related outstanding balances are presented as trade payables from related parties under the trade and other payables account in the consolidated statements of financial position (Note 9).

(c) Service revenue

On April 14, 2021, the Parent Company and GPS3 entered into an operation and maintenance service agreement for the operation and maintenance of a 50MW solar power energy generation facility and the associated infrastructure and facilities (Arayat Phase 1) in Arayat and Mexico, Pampanga. On May 19, 2022, CPMI and the Parent Company executed a deed of assignment whereas the latter assigns and transfers all its rights and obligations in the operations and maintenance service agreement to the former. On August 30, 2022, CPMI and GPS3, entered into an operation and maintenance service agreement for additional 30 MW solar power energy generation facility or the Arayat Phase 2 in Pampanga. The service fee is subject to annual escalation rate.

Operation and maintenance service fees earned from this contract for the periods ended June 30 follow:

	2024	2023
Service fees	11,031,200	8,000,000

The receivables arising from this agreement is collectible in cash, unsecured and non-interest bearing.

(d) Lease income, security deposits and deferred rent income

During 2021, CREIT entered into various sublease agreements for the following land properties, as a lessor, with related parties:

- Land property located in Brgy. Rizal, Silay City, Negros Occidental with Citicore Solar Negros Occidental, Inc. (CSNO)

The agreement is effective for 19 years commencing on January 1, 2022 with CREIT's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either due to economic conditions or actual performance of the sublessee vis-à-vis the three-year historical plant generation and market prices.

- Land property located in Brgy. Talavera, Toledo City, Cebu with CSCI

  The agreement is effective for 19 years commencing on January 1, 2022 with the CREIT's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either due to economic conditions or actual performance of the sublessee vis-à-vis the three-year historical plant generation and market prices.

  These lease agreements are classified as operating leases.

Details of lease income recognized for the periods ended June 30 are as follows:

	2024	2023
Brgy. Talavera, Toledo City, Cebu	184,201,292	184,201,292
Brgy. Rizal, Silay City, Negros Occidental	139,273,411	139,273,411
	323,474,703	323,474,703

Amortization of deferred rent income recognized as part of lease income for the periods ended June 30 are as follows:

	2024	2023
Brgy. Talavera, Toledo City, Cebu	700,356	700,356
Brgy. Rizal, Silay City, Negros Occidental	500,155	500,155
	1,200,511	1,200,511

During 2022, CREIT received security deposits for the listed lease agreements amounting to P48.4 million, which is equivalent to one-month lease payment for leasehold land properties. The security deposits shall remain valid until expiration of the lease agreements and shall serve as guarantee for the lessees' faithful compliance with the terms, conditions, and obligations of lease agreements. The security deposits shall be adjusted annually and the lessees shall provide the necessary amount to keep the security deposits equivalent to the number of months' rent. Upon termination of the lease agreements, the security deposits will be refunded without interest by CREIT less payment of all remaining monetary obligations of the lessees to CREIT. The security deposits, or the balance thereof, whichever is applicable shall be refunded to the lessees within 60 days from the return of the leased properties to the CREIT. These security deposits were presented as non-current liabilities in the consolidated statements of financial position.

Details and movements of security deposits and deferred rent income as at and for the reporting periods are as follows:

	Notes	June 30, 2024	December 31, 2023
Security deposits			
Gross amount		48,353,744	48,353,744
Allowance for amortization of security deposits			
January 1		(20,110,170)	(21,945,764)
Additions		-	-
Accretion of interest expense	17	917,797	1,835,594
		19,192,373	(20,110,170)
		29,161,371	28,243,574
Deferred rent income			
January 1		19,231,200	21,632,224
Additions		-	-
Amortization		(1,200,511)	(2,401,024)
		18,030,689	19,231,200
Less: Current portion	9	(2,401,024)	(2,401,024)
Non-current portion		15,629,667	16,830,176

Accretion of interest expense for the period ended June 30, 2024 amounted to P0.92 million (December 31, 2023 – P1.84 million) (Note 17).

Deferred rent income pertains to the difference between the nominal values of the deposits and their fair values. These are initially measured at fair value and subsequently amortized using the straight-line method. Amortization of deferred rent income for the period ended June 30, 2024 amounted to P1.2 million (December 31, 2023 – P2.4 million) which was recognized as part of lease income in the consolidated statements of total comprehensive income.

(f) Advances to contractor

Advances to contractor include advance payments made to a related party for ongoing construction of solar power plants. In 2023, CSB2 (formerly GPS2) entered into an agreement with MCC-Citicore Construction, Inc. (MCC-CCI), an entity under common control for the construction of solar power plant. Terms of the contract include payment within 30 days upon receipt of billings. As at June 30, 2024, total advances paid to MCC-CCI amounted to P2.80 billion (December 31, 2023 – P1.68 billion). Development and construction activities have already commenced which include preliminary and survey works and construction permits.

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements for the reporting periods:

	June 30, 2024	December 31, 2023
Trade and other receivables	171,594,605	564,084,509
Due from related parties	10,907,233,370	2,777,917,154
Accounts payable and other current liabilities	158,117,393	44,339,917
Sale of electricity	-	31,195,893
Lease income	617,593,933	1,133,749,552

Service fees	16,465,035	39,758,662
Dividend income	5,107,882,584	1,272,513,333
Cost of services	219,068,903	434,090,653

The Group has existing material related party transaction policy to adhere with SEC Memorandum Circular No. 10, Series of 2019 which include: the identification of related parties, coverage of material related party transactions, adjusted thresholds, identification and prevention or management of potential or actual conflicts of interests arising out of or in connection with the material related party transactions, guidelines in ensuring arm's length terms, approval of material related party transactions, self-assessment and periodic review of policy, disclosure requirements, whistleblowing mechanisms, and remedies for abusive material related party transactions. The BOD, with the assistance of the Related Party Transaction Review and Compliance Committee ("RPTRCC"), shall oversee, review, and approve all related party transactions to ensure that these are conducted in the regular course of business and on an arm's length basis and not undertaken on more favorable economic terms to the related parties than with non-related or independent parties under similar circumstances. The RPTRCC shall be granted the sole authority to review related party transactions. Those falling within the materiality thresholds set by the Group's BOD shall require the approval of the Chief Executive Officer and/or President or the BOD, as the case may be.

On November 20, 2023, the BOD and shareholders authorized the establishment of an employee share option plan ("ESOP"). The final terms of the ESOP will be subject to approval by the BOD.

12 Deposits and deferred rent income

Deposits and deferred rent income for the reporting periods consist of:

	Note	June 30, 2024	December 31, 2023
Customer deposits		140,585,948	146,941,891
Security deposits	11	29,161,371	28,243,574
Deferred rent income	11	18,030,689	16,830,176
		187,778,008	192,015,641

A bill deposit equivalent to 30 days projected average electricity cost is required to guarantee customers' obligations to CESI. The details of customers deposits for the reporting periods are as follows:

	June 30, 2024	December 31, 2023
Customer deposits	144,259,129	151,932,142
Discount on customer deposits	(3,673,181)	(4,990,251)
	140,585,948	146,941,891

13 Retirement benefit obligation

The Group provides for the estimated retirement benefits based on the requirements of RA No. 7641, otherwise known as the *"Retirement Pay Law"*. Under the Retirement Pay Law, the retirement benefit obligation is computed as one-half of monthly salary for every year of service, a fraction of six months being considered as one whole year. The term one-half of monthly salary shall mean 15 days plus the one-twelfth of the 13th month, and the cash equivalent of not more than five (5) days service incentive leaves.

The retirement benefit obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation was sought from an independent actuary for the financial reporting period December 31, 2023.

As of the reporting periods, the retirement benefit obligation amounts to P40.6 million.
The principal assumptions used for the periods ended June 30 are as follows:

	2024	2023
Discount rate	6.62%	6.62%

Salary increase rate	10.00%	10.00%

The present value of the defined benefit obligation is measured in terms of actuarial assumptions such as discount rate, salary increases and expected retirement age. The resulting amount was discounted based on the spot yield curve calculated from the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market (previously the PDEx (PDST-R2) market yields on benchmark government bonds) by stripping the coupons from government bonds to create virtual zero-coupon bonds. Salary increase rate was also considered which comprise of the general inflationary increase plus a further increase for individual productivity, merit and promotion. The salary increase rate is set by reference over the period over which benefits are expected to be paid.

The Group does not expect to create a fund in the next reporting period.

The weighted average duration of the defined benefit obligation as at December 31, 2023 is 23.58 years.

Expected maturity analyses of undiscounted retirement benefits for the periods ended June 30, 2024 and December 31, 2023 are as follows:

	2024	2023
Between 1 to 5 years	-	-
Between 5 to 10 years	9,346,089	9,346,089
Between 10 to 15 years	16,600,827	16,600,827
Between 15 to 20 years	101,123,795	101,123,795
More than 20 years	1,871,099,976	1,871,099,976
	1,998,170,687	1,998,170,687

14 Equity

(a) Share capital and share premium

The Parent Company's share capital and share premium as at reporting periods consist of:

	June 30, 2024			December 31, 2023		
	Par value per share	No. of shares	Amount	Par value per share	No. of shares	Amount
Authorized share capital						
Common shares	P0.07	27,857,142,857	1,950,000,000	P0.07	27,857,142,85 7	1,950,000,000
Preferred shares	P1	50,000,000	50,000,000	P1	50,000,000	50,000,000
			2,000,000,000			2,000,000,000
Issued and outstanding						
Common shares						
Jan 1	P0.07	7,142,857,143	500,000,000	P0.07	7,142,857,143	500,000,000
Issuances	P0.07	1,758,715,000	125,000,050		-	-
Ending balances	P0.07	8,928,572,143	625,000,050	P0.07	7,142,857,143	500,000,000
Share premium						
Jan 1			925,200,000			925,200,000
Issuances			4,523,400,286			-
Ending balances			5,448,600,286			925,200,000

On April 20, 2023, the BOD approved the capital restructuring of the Parent Company through share split. Authorized share capital amounting to P2.0 billion divided into 2.0 billion common shares with par value of P1 per share was restructured to authorized share capital amounting to P2.0 billion divided into 27,857,142,857 common shares with par value of P0.07 per share or P1.95 billion and P50.0 million preferred shares with par value of P1 or P50.0 million.

The preference shares are cumulative, non-voting, non-participating, non-convertible, perpetual and no share should be issued at below par value. The preference shares should be issued in series, sub-series or in tranches as may be determined by the BOD. The BOD shall have the authority to designate and establish the series, sub-series or tranche of the preference shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each of the sub-series or tranche and determine the manner by which the preference shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering. Without limiting the generality of the authority of the BOD, the preferred and limitations of each sub-series or tranche of the preferred shares may include any or all of the following:

- Its issue value shall be determined by the BOD at the time of the issuance of the shares;
- The holders shall be entitled to receive dividends upon declaration made at the sole option of the BOD. The rate and payment terms of said dividend shall be determined by the BOD in accordance with Philippine laws, rules and regulations.
- The shares shall be non-convertible into common shares;
- The shares shall be cumulative;
- The shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;
- The preferred shares shall be redeemable by the Parent Company at the sole option of the BOD at the price to be determined by the BOD. Any and all preferred shares redeemed shall not be considered retired and may be reissued by the Parent Company;
- In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of the Parent Company, the holders of the shares shall enjoy preferred in the payment, in full or, if the remaining assets of the Parent Company are insufficient, on a pro-rata basis as among all holders of outstanding preferred shares, of the issue price of their shares plus any previously declared and unpaid dividends, before any asset of the Parent Company is paid or distributed to the holders of common shares; and
- The holders of the preferred shares shall have no pre-emptive right to any issue or disposition of any share of any class of the Parent Company.

No shareholders of any class shall be entitled to any pre-emptive right to purchase, subscribe for, or receive any part of the shares of the Parent Company, whether issued from its unissued capital, increase in its authorized capital or its treasury shares.

On June 7, 2024, the Parent Company successfully listed its shares with the PSE via the offer of (i) 1,758,715,000 new common shares with the par value of P0.07 per share issued and offered by the Company as “Primary Offer Shares” and “ (ii) over-allotment option of up to 178,572,000 shares held by CPI which were exercised at such date. All the shares offered by the Parent Company and CPI were sold at an offer price of P2.70 per share. The Parent company recognized additional paid-up capital (APIC) arising from this transaction amounting to P4.5 billion in 2024.

(b) Earnings per share (EPS)

Basic and diluted EPS for the periods ended June 30 are as follows:

	2024	2023
Net income	269,929,873	345,911,963
Weighted average number of common shares	7,256,944,490	7,142,857,143
Basic and diluted EPS	0.0372	0.0484

Weighted average number of common shares for periods ended June 30 is computed as follows:

	Number of shares	Ratio	Weighted number of shares
Net income	7,142,857,143	1.0	7,142,857,143
Weighted average number of common shares	1,785,715,000	0.06	114,087,347
Basic and diluted EPS	8,928,572,143		7,256,944,490

The Parent Company has no potential dilutive common shares for the periods ended June 30, 2024 and December 31, 2023. Therefore, basic and diluted EPS are the same.

15 Cost of services

The components of cost of services for the periods ended June 30 are as follows:

	Notes	2024	2023
Purchase of power	11	907,221,565	864,878,444
Distribution charges		281,804,608	237,382,304
Depreciation and amortization	6, 18	78,100,097	76,506,096
Salaries, wages and other employee benefits		48,351,625	22,609,549
Customer rebates		36,378,182	23,404,967
Outside services		13,076,927	3,505,379
Insurance		9,061,596	9,301,027
Repairs and maintenance		8,146,323	4,454,212
Line charges		7,676,830	15,673,099
Security services		4,237,608	3,596,938
Commission fees		2,847,740	2,836,484
Utilities		1,736,391	2,414,474
Taxes and licenses		682,281	3,620,884
Retirement benefit expense (income)	13	64,310	-
Others		2,218,204	5,969,852
		1,401,604,287	1,276,153,709

16 Operating expenses

The components of operating expenses for the periods ended June 30 are as follows:

	Notes	2024	2023
Taxes and licenses		10,921,740	13,810,821
Outside services		7,278,408	22,889,650
Salaries, wages and other employee benefits		6,138,316	24,399,896
Professional fees		3,866,666	8,131,949
Transportation and travel		2,800,121	2,805,804
Dues and subscriptions		2,668,459	3,741,632
Depreciation and amortization	6, 8, 18	2,555,074	2,267,778
Charitable contributions		1,117,408	699,770
Director's fees		684,211	205,263
Fines and penalties		556,902	89
Representation		374,502	1,486,115
Insurance		280,950	131,968
Marketing and advertising		200,000	164,934
Repairs and maintenance		127,515	461,984
Office supplies		84,586	578,458
Communication, light and water		44,604	96,376
Bank charges		83,423	12,220
Rental	18	-	296,326
Miscellaneous		4,924,772	4,624,580
		44,707,657	86,805,613

17 Other income, net; finance costs

The components of other income, net for the periods ended June 30 are as follows:

	Notes	2024	2023
Interest income	3, 4, 8, 11, 12	10,067,582	17,015,864
Foreign exchange gains (losses), net	22.1.1.b	(110,037)	(15,071)
Amortization of security deposit	8	(134,372)	(3,916,667)
Others		1,204,170	(1,278,826)
		11,027,343	11,835,442

Others pertain to write-off of certain assets and liabilities.

The components of finance costs for the periods ended June 30 are as follows:

	Notes	2024	2023
Interests on loans payable	10	213,374,071	178,813,836
Interests on lease liabilities	18	8,590,979	8,607,747
Interest on customers and security deposits	11, 12	2,165,058	917,797
		224,130,108	188,339,380

Interest on advances from a related party in 2021 pertains to interest expense related to certain advances from CPI to fund the investment activities of the Parent Company and subsidiaries.

18 Leases - Group as a lessee

The Group has various lease agreements such as leases of parcels of land and service vehicles for operations. Certain parcels of land are sub-leased to related parties that operate power plants. The lease agreements have a term of up to 25 years for the land lease and five (5) years for service vehicles with renewal options upon mutual agreement by both parties. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. There are no restrictions placed upon the lessee by entering into these leases.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Outstanding security deposits in relation to the lease agreements as at June 30, 2024 amounted to P4.14 million (December 31, 2023 - P5.74 million) which are presented as part of other non-current assets in the consolidated statements of financial position.

In addition, the Group leased certain vehicles and office space for its business operations with third parties for a period of less than one (1) year. These are considered short-term leases by the management.

Leased assets may not be used as security for borrowing purposes.

(a) Amounts recognized in the consolidated statements of financial position

Leases of land and vehicles used for operations and leases of land for sublease to related parties are reported in the consolidated statements of financial position as right-of-use assets and investment properties, respectively.

Details and movements of right-of-use assets, net are as follows:

	Land	Service vehicles	Total
Cost			
January 1, 2023	97,877,886	15,155,551	113,033,437
Additions	375,990,522	6,948,966	382,939,488
December 31, 2023	473,868,408	22,104,517	495,972,925
Additions	-	-	-
June 30, 2024	473,868,408	22,104,517	495,972,925
Accumulated amortization			
January 1, 2023	11,822,873	3,283,102	15,105,975
Capitalized amortization	1,274,540	-	1,274,540
Amortization	4,972,864	4,424,312	9,397,176
Adjustments	-	(183,334)	(183,334)
December 31, 2023	18,070,277	7,524,080	25,594,357
Amortization	10,134,301	2,157,417	12,291,718
June 30, 2024	28,204,578	9,681,497	37,886,075
Net book values			
June 30, 2024	455,663,830	12,423,020	458,086,850
December 31, 2023	455,798,131	14,580,437	470,378,568

Details and movements of right-of-use assets classified as investment properties are as follows:

	Amount
Cost	
January 1, 2023	139,466,310
Additions	-
December 31, 2023	139,466,310
Additions	-
June 30, 2024	139,466,310
Accumulated amortization	

January 1, 2023	7,261,818
Amortization	7,261,818
December 31, 2023	14,523,636
Amortization	3,630,909
June 30, 2024	18,154,545
Net book value	
June 30, 2024	121,311,765
December 31, 2023	124,942,674

As required by the REIT Implementing Rules and Regulations (REIT IRR), a full valuation of CREIT's assets shall be conducted by an independent property valuer at least once a year. The aggregate fair value of these investment properties as determined by an independent appraiser as at December 31, 2023 amounted to P6.43 billion. The fair value of the investment properties was estimated by the independent appraiser using the discounted cash flow analysis grounded on the principle that the value of an economic entity is the present worth of the economic benefits it will generate in the future (i.e., economic benefits come in the form of lease of the solar power plant). This approach requires a forecast of the economic entity's stream of net income based on lease contract. These net income or rents are then summed up and discounted back to present value by an appropriate discount rate. The valuation process consists of estimation of the present value of the unexpired contract rentals. The discounted cash flow analysis falls under the income approach which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. This approach falls under Level 3 of the fair value hierarchy. Management assessed that there are no significant changes in the business environment from the date of last valuation up to reporting date which would impact the fair value of the properties.

The fair value is sensitive to the following unobservable inputs: (1) lease income growth rates (fixed and variable lease) which were based on the signed lease contracts and (2) discount rate using the weighted average cost of capital based on the average capital structure of the companies in the solar energy sector as of the valuation date.

The current use of the parcels of land is its highest and best use.

Details of the lease liabilities as at reporting periods are as follows:

	June 30, 2024	December 31, 2023
Current	5,772,664	9,495,105
Non-current	579,001,834	594,702,933
	584,774,498	604,198,038

Movements in lease liabilities for the reporting periods are as follows:

	June 30, 2024	December 31, 2023
Beginning	604,198,038	240,465,579
Non-cash transactions		
Interest expense	8,590,979	20,056,593
Additions	-	382,921,104
Remeasurements	-	-
Termination	-	-
Translation difference	64,068	(10,960)
	8,655,047	402,966,737
Cash transactions		
Principal payments	(11,228,985)	(8,683,600)
Interest payments	(16,849,601)	(30,550,678)
	(28,078,587)	(39,234,278)
	584,774,498	604,198,038

Interest expense recognized for the period ended June 30, 2024 includes capitalized interest amounting to P13.1 million (December 31, 2023 – P2.2 million).

(b) Amounts recognized in the consolidated statements of total comprehensive income

Amounts recognized in the consolidated statements of total comprehensive income for the periods ended June 30 related to the lease agreements are as follows:

	Notes	2024	2023
Interest expense	17	8,590,979	8,607,747
Amortization expense	15, 16	15,922,627	6,113,399
Rent expense relating to short-term leases	16	-	-
Translation difference		64,068	-
		24,577,674	14,721,146

The total cash outflows for the periods ended June 30 for the lease agreements are as follows:

	2024	2023
Payment of interest on lease liabilities	16,849,601	3,759,195
Payment of principal portion of lease liabilities	11,228,985	666,400
Payment for short-term leases	-	-
	28,078,587	4,425,595

(c) Discount rate

The lease payments are discounted using the Parent Company and each of the subsidiary's incremental borrowing rate ranging from 6.75% to 7.86% for land lease and 9.00% to 14.35% for lease of service vehicle and transportation equipment, being the rate that the Parent Company and each of the subsidiary would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(d) Extension and termination options

Extension and termination options are included in the lease agreement of the Group. These are used to maximize the operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable by the lessee upon consent of the lessor, hence, the extension and termination options have not been included in lease term.

19 Investment in a joint venture and deposits

(a) Investment in a joint venture

In 2021, as a follow through to the Framework Agreement by the Parent Company and Endevor (Note 1), GPS3 entered into a subscription agreement with AC Energy Philippines, Inc. and Endevor, related entities, to subscribe 2,500,000 with par value of P1 per share equivalent to 50% shareholdings of GPS3.

After the issuance of shares in 2021, GPS3 became a joint venture between the Parent Company through CSEC and AC Energy Philippines, Inc. and Endevor, jointly. Consequently, CSEC lost its control in GPS3, hence, was deconsolidated at the date the control was lost. The Group recognized a gain resulting from the loss of control and deconsolidation of GPS3 amounting to P3.9 million (Note 16) and charged other reserves directly to retained earnings resulting from the pooling of interest in 2020 of GPS3 through CSEC to the Group amounting to P0.1 million.

The assets and liabilities deconsolidated from the Group are as follows:

	Amount
Assets	
Cash and cash equivalents	78,868,440
Prepayments and other current assets	18,149
Property, plant and equipment	400,780,378

Liabilities	
Trade and other payables	3,264,175
Due to related parties	247,762,053
Advances from project developer	230,000,000

The investment in GPS3 was reclassified as an investment in a joint venture accounted under equity method. Movements in the investment in joint venture are as follows:

	June 30, 2024	December 31, 2023
Beginning	424,818,868	206,694,081
Share in net income (loss)	33,447,139	218,124,787
Ending	458,266,007	424,818,868

The shares of GPS3 are unquoted.

(b) Deposits

During 2024, the Parent Company provided deposits for future shares subscription amounting to P0.5 million (2023 – P50.0 million) to Rio Norte Hydropower Corporation (RNHC), an entity under common control. The application for the increase in authorized share capital of RNHC is still pending with the SEC as at June 30, 2024. RNHC was incorporated and registered with the SEC on July 10, 2015. RNHC's primary purpose is to engage in generation, collection and distribution of electricity, and in developing, constructing and operating renewable energy projects. Deposits for future shares subscription to RNHC amounted to P736.7 million as at June 30, 2024 (December 31, 2023 – P737.2 million).

20 Non-controlling interest

As at June 30, 2024 and December 31, 2023, the non-controlling interest pertains to CREIT representing 67.12% and 38.33% ownership, respectively, by the public. Movements in the account are as follows:

	June 30, 2024	December 31, 2023
Beginning	1,124,435,900	1,391,014,218
Sale of existing shares	471,093,500	-
Share in net income	186,472,442	225,160,696
Share in total comprehensive income	2186,472,442	225,160,696
Dividends	(452,526,996)	(491,739,014)
Ending	1,329,474,846	1,124,435,900

Dividends amounting to P207.2 million payable to non-controlling interest remained outstanding as at June 30, 2024 (December 31, 2023 - P114.55 million).

The summarized financial information of CREIT are as follows:

	June 30, 2024	December 31, 2023
Current assets	908,460,952	882,880,243
Non-current assets	8,888,672,692	8,840,086,999
Current liabilities	432,648,472	425,633,542
Non-current liabilities	4,876,008,201	4,828,089,299
Total equity	4,488,476,971	4,469,244,401
Total comprehensive income for the year	693,414,330	1,398,096,376
Cash flows from operating activities	842,493,617	1,340,857,215
Cash flows used in investing activities	(7,463,691)	(4,253,154,900)
Cash flows from (used in) financing activities	(818,254,827)	2,957,736,042

21 Segment information

The Group's executive committee, consisting of key management personnel involved in managing the operations, assesses and examines the Group's performance from the nature of the services that is being offered and marketed and has identified two reportable segments. Each segment represents a strategic business unit that offers different services and serves different markets. The two reportable segments are as follows:

(a) Power

This reportable segment pertains to the generation of electricity from solar power energy through its solar power plants, purchase of power from Wholesale Electricity Spot Market (WESM) and subsequent sale of electricity from generation and purchasing activities to customers which include contestable customers, local retail electricity suppliers, TransCo and IEMOP for the transactions in WESM.

(b) REIT

This business segment pertains to the rental operations of the Group through CREIT. CREIT leases certain leasehold land properties to related parties outside the Group.

(c) Others

Others include the operations of the Group's head office and operation and maintenance service operations of GPS1 and CPMI.

The Group derives the following types of revenue by operating segment for the periods ended June 30:

	2024	2023
Power	6,840,249,382	2,018,125,176
REIT	920,849,434	799,977,179
Others	67,362,368	37,195,934
Total revenue	7,828,461,184	2,855,298,289
Intersegment eliminations	(5,741,941,552)	(1,001,879,443)
Total revenue presented in the consolidated statements of total comprehensive income	2,086,519,632	1,853,418,846

The executive committee primarily uses a measure of net income to assess the performance of the operating segments. However, the executive committee also receives information about the segments' revenue, assets and liabilities on a regular basis.

Details of net income of the reportable segments for the years ended June 30 are as follows:

	2024	2023
Power	9,256,123,222	270,216,657
REIT	693,414,336	621,036,467
Others	37,797,343	11,616,378
Total net income	9,987,334,901	902,869,502
Intersegment eliminations	(9,530,932,586)	(447,602,702)
Net income in the consolidated statements of total comprehensive income	456,402,315	455,266,800

The segment assets and liabilities of the reportable segments of the Group as at reporting periods are as follows:

	June 30, 2024	December 31, 2023
Segment assets		
Power	53,128,348,301	36,482,388,790
REIT	9,797,133,645	9,642,735,324
Others	1,375,557,738	210,488,337
Total segment assets	64,301,039,684	46,335,612,451
Intersegment eliminations	(25,253,119,172)	(24,037,034,548)
Total assets in the consolidated statements of financial position	39,047,920,512	22,298,577,903
Segment liabilities		
Power	31,827,851,382	25,264,360,821
REIT	5,308,656,673	5,313,903,063
Others	1,168,552,819	149,354,408
Total segment liabilities	38,305,060,874	30,727,618,292
Intersegment eliminations	(17,463,196,912)	(17,048,034,805)
Total liabilities in the consolidated statements of financial position	20,841,863,962	13,679,583,487

All revenues of the Group are from domestic entities incorporated in the Philippines.

Details of the results of operations of the reportable segments of the Group for the period ended June 30, 2024 are as follows:

	Power	REIT	Others	Total segments	Eliminations	Consolidated
Revenues	6,840,249,382	920,849,434	67,362,368	7,828,461,184	(5,741,941,552)	2,086,519,632
Cost of services	(1,545,824,781)	(52,141,283)	(22,707,126)	(1,620,673,190)	219,08903	(1,401,604,287)
Gross profit	5,294,424,601	868,708,151	44,655,242	6,207,787,994	(5,522,872,649)	684,915,345
Operating expenses	(42,763,528)	(4,163,771)	(2,219,642)	(44,707,657)	-	(44,707,657)
Share in net income of a joint venture	33,447,139	-	-	33,447,139	-	33,447,139
Finance costs	(464,277,449)	(179,739,841)	(5,078,677)	(642,095,967)	417,965,859	(224,130,108)
Other income, net	4,435,452,513	1,609,797	(9,174)	4,437,053,136	(4,426,025,796)	11,027,343
Income before income tax	9,256,283,276	693,414,336	41,787,033	9,991,484,645	(9,530,932,586)	460,552,062
Income tax benefit	(160,053)	-	(3,989,694)	(4,149,747)	-	(4,149,747)
Net income for the year	9,256,123,223	693,414,336	37,797,339	9,987,334,898	(9,530,932,586)	456,402,315
Capital expenditures for the year	6,750,084,478	7,463,691	1,091,192,009	7,848,740,178	-	7,848,740,178
Interest income	22,576,192	1,673,865	9,174	24,240,883	(14,275,382)	9,965,501
Depreciation and amortization	246,756,360	35,678,956	646,019	283,081,335	(202,426,164)	80,655,171

Details of the results of operations of the reportable segments of the Group for the year ended June 30, 2023 are as follows:

	Power	REIT	Others	Total segments	Eliminations	Consolidated
Revenues	2,018,125,176	799,977,179	37,195,934	2,855,298,289	(1,001,443)	1,853,418,846
Cost of services	(1,396,918,431)	(50,999,467)	(24,855,132)	(1,472,773,030)	196,619,32	(1,276,153,709)
Gross profit (loss)	621,206,745	748,977,712	12,340,802	1,382,525,259	(805,260,122)	577,265,137
Operating expenses	(81,985,116)	(4,048,571)	(771,926)	(86,805,613)	-	(86,805,613)
Share in net income of a joint venture	141,561,980	-	-	141,561,980	-	141,561,980
Finance costs	(431,138,354)	(135,864,195)	34,782	(556,967,767)	378,628,387	(188,339,380)
Other income, net	20,822,168	11,971,521	12,709	32,806,398	(20,970,967)	11,835,442
Income before income tax	270,467,423	621,036,467	11,616,367	903,120,257	(447,602,702)	455,517,566
Income tax benefit	(250,766)	-	-	(250,766)	-	(250,766)
Net income for the year	270,216,657	621,036,467	11,616,367	902,869,491	(447,602,702)	455,266,800
Capital expenditures for the year	250,000,000	3,926,349,871	-	4,176,349,871	(650,681,178)	3,525,668,693
Interest income	22,126,423	11,956,450	12,709	34,070,164	(20,970,967)	13,099,197
Depreciation and amortization	226,628,758	35,676,665	423,047	262,728,470	(183,954,,596)	78,773,874

22 Financial risk and capital management and fair value estimation

22.1 Financial risk management

The Group's activities expose it to a variety of financial risks from its use of financial instruments: market risk, credit risk, and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarized below.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

22.1.1 Market risk

Market risk is the risk that changes in market prices, will affect the Group's total comprehensive income or the value of its financial instruments. The Group is mainly exposed to two (2) types of market risk: interest rate risk and foreign exchange risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. The management of these risks is discussed in the succeeding sections.

(a) Interest rate risk

Interest rate risk involves the movements of rates across yield curves of one or more instruments. The principal risk to which financial instruments are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. The Group manages its resources and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

The primary sources of the Group's interest rate risk relates to loans payable from DBP amounting to P2.1 billion as at June 30, 2024 (December 31, 2023 - P2.2 billion) which are subject to quarterly interest repricing. (Note 9).

Other financial assets and liabilities including bonds payable are subject to fixed interest rate, hence, not exposed to any interest rate risk.

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to U.S. Dollar. Foreign exchange risk arises when future commercial transactions, and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Among others, management monitors the timing of settlements/payments to ensure that the Group is not unfavorably exposed to fluctuations of foreign exchange rates.

The Group's foreign currency denominated liability as at June 30, 2024 and December 31, 2023 refers to a portion of lease liabilities. The Group's foreign currency denominated asset as at June 30, 2024 and December 31, 2023 refers to a portion of cash in banks. The net foreign currency denominated liability as at June 30, 2024 and December 31, 2023 is considered to be immaterial.

	Note	2024	2023
Unrealized gains (losses), net		(64,068)	15,071
Realized gains, net		-	-
	17	(64,068)	15,071

The Group's exposure to foreign currency risk is not significant due to the absence of material transactions and balances denominated in a currency other than the Group's functional currency.

22.1.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk arises primarily from its cash and cash equivalents, trade and other receivables, electric utility deposits, cash bond, security deposits and restricted cash.

Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. The Group uses internal ratings to determine the quality of its financial assets. The Group determined that its financial assets are all considered high grade financial assets except for those that were provided for.

The maximum exposures to credit risk, pertaining to financial assets, as at reporting periods are as follows:

	Notes	June 30, 2024	December 31, 2023
Cash and cash equivalents*	3	12,925,809,577	2,402,761,616
Trade and other receivables	4	3,240,284,266	5,025,832,757
Electric utility deposits	8	140,175,202	177,660,054
Cash bonds	8	43,968,719	42,171,335
Security deposits	8	4,141,597	5,743,910
Restricted cash	8	6,023,318	5,176,752
		16,360,402,679	7,659,346,424

**excluding cash on hand*

Credit quality of financial assets

(i) Cash and cash equivalents and restricted cash

Cash deposited/placed in banks are considered stable as the banks qualify as universal and commercial banks as defined by the Philippine Banking System and are approved by the BOD to minimize credit risk. The amounts deposited in these banks are disclosed in Notes 3 and 8. The expected credit loss is determined to be immaterial. Cash on hand is not subject to credit risk.

(ii) Trade and other receivables

The Group has no concentration of credit risk since it transacts with a number of customers. The Group transacts with related parties, local retail electricity suppliers, contestable customers, TransCo and IEMOP. For trade receivables, the credit risk is brought down to an acceptable level since credit terms on billed fees for sale of electricity are fixed as provided in formal agreements, and are accordingly collected in accordance with this agreement and the Group's credit policy with no reported defaults and write-offs in previous years. Management believes that collection is probable due to cumulative experience, similar contractual arrangements and acknowledgement of customer.

For other trade receivables which are considered past due, expected credit losses were estimated based on the days past due and on the credit quality of the trade receivables.

For the period ended June 30, 2024, based on the management's assessment, reversal for doubtful accounts amounting to P nil was recognized (December 31, 2023 – reversal of provision of P1.1 million) (Note 4).

The tables below detail the credit quality of the Group's trade receivables, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	High grade	Standard grade	Low grade	Total
June 30, 2024				
Third parties	442,541,080	69,461,095	4,486,205	516,488,379
Related parties	28,535,302	-	-	28,535,302
	471,076,382	69,461,095	4,486,205	545,023,682

December 31, 2023				
Third parties	410,957,287	53,850,811	2,454,760	467,262,858
Related parties	14,735,464	-	-	14,735,464
	425,692,751	53,850,811	2,454,760	481,998,322

High grade receivables pertain to those receivables from customers that has a low risk of default and does not have any past-due amounts. Standard grade includes receivables that are past due and has an increase in credit risk since initial recognition. Low grade includes the receivables which shows evidence indicating the asset may be credit- impaired.

The credit exposure on due from related parties is considered to be low as there is no history of default and collections are expected to be made within 12 months. These are considered as high-grade financial assets as the related parties have good financial standing and are highly liquid. The expected credit loss is determined to be immaterial by the management.

Other receivables pertain to refunds for overpaid insurance and receivables from third party for the sale of property, plant and equipment. Full provision was recognized for other receivables related to refunds for overpaid insurance which have been long outstanding for more than one (1) year as at June 30, 2024 and December 31, 2023. Remaining receivables are current in nature and expected to be collectible within the maturity date. The expected credit loss is determined to be immaterial by the management.

(iii) Security deposits, electrical utility deposits and cash bonds

Security deposits, electrical utility deposits and cash bond include cash required from the Group in relation to its lease agreements, service agreements and permits from the government, respectively. These deposits are assessed as high grade as there is no history of default and these are collectible upon termination of or at the end of the term of the agreements or permits. The expected credit loss is determined to be immaterial by management.

22.1.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as these falls due. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of credit lines available from related parties and local banks. The policy of the Group is to first exhaust lines available from related parties before local bank lines are availed. The Group also has available due from related parties which can be readily collected to settle maturing obligations.

The Group seeks to manage its liquidity risk by maintaining a balance between continuity of funding and flexibility. The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The Group's financial liabilities grouped into relevant maturity dates are as follows:

	Notes	Payable on demand	Less than 1 year	More than 1 year
June 30, 2024				
Trade and other payables*	9	-	1,158,800,577	-
Dividends payable	14, 20	-	207,203,893	-
Income tax payable		-	1,740,572	-
Loans payable	10	-	514,802,643	14,177,139,001
Bonds payable	10	-	-	3,964,143,338
Lease liabilities	18	-	5,772,664	579,001,834
Interest**		-	759,611,730	9,818,176,565
Customers deposits	12	-	-	139,268,878
Security deposits	12	-	-	47,192,061
		-	2,647,932,079	28,724,921,677

	Notes	Payable on demand	Less than 1 year	More than 1 year
December 31, 2023				
Trade and other payables*	9	-	881,591,990	-
Dividends payable	14, 20	-	124,550,646	-
Loans payable	10	-	453,614,073	7,306,853,945
Bonds payable	10	-	-	3,959,876,787
Lease liabilities	18	-	9,495,105	594,702,933
Interest**		-	926,734,026	5,388,670,343
Customers deposits	12	-	-	146,941,891
Security deposits	12	-	-	28,243,574
		-	2,395,985,840	17,425,289,473

**excluding due to government agencies and deferred rent income*
***expected interest on borrowings and lease liabilities up to contractual maturity date*

The amounts disclosed are the contractual undiscounted cash flows, except for lease liabilities, which are equivalent to their carrying balances as the impact of discounting is not significant. The Group expects to settle the above financial liabilities within their contractual maturity date.

22.2 Capital management

The Group maintains a sound capital to ensure its ability to continue as a going concern to provide returns to shareholder and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholder, pay-off existing debts, return capital to shareholder or issue new shares. Capital management policies and procedures of the Group have remained consistent for all the periods presented.

The Parent Company's BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operations and industry.

The capital structure of the Group consists of equity attributed to Parent Company, which comprises of issued capital, additional paid-in capital, other reserves and retained earnings. The Group monitors capital on the basis of net gearing ratio, which is calculated as total debt divided by total equity. Total debt is defined as short-term, long-term bank borrowings, and bonds payable from third parties less cash and cash equivalents, while equity is total equity as shown in the consolidated statements of financial position.

The net debt reconciliation as at June 30, 2024 and December 31, 2023 are presented below:

	Notes	June 30, 2024	December 31, 2023
Borrowings, beginning	10	11,720,344,805	5,842,959,352
Assignment of loan		-	-
Additions to loans	10	7,147,800,549	2,400,090,000
Bonds payable	10	-	4,000,000,000
Payment of loans	10	(216,326,923)	(395,864,074)
Payment of debt and bond issuance costs	10	-	(134,450,935)
Amortization of debt and bond issuance costs	10	4,266,551	7,610,462
Borrowings, ending	10	18,656,084,982	11,720,344,805
Cash and cash equivalents	3	(12,926,460,577)	(2,403,332,616)
Net debt		5,729,624,405	9,317,012,189
Total equity attributable to shareholders of the Parent Company		16,876,581,704	7,494,558,516
Net gearing ratio		0.34:1	1.24:1

The Group is also compliant with its loan covenants or has secured necessary waiver or grace period for any breach as disclosed in Note 10.

22.3 Fair value estimation

The carrying values of the financial instrument components of cash and cash equivalents, trade and other receivables, trade and other payables (excluding due to government agencies and deferred rent income), dividends payable, current portion of loans payable and lease liabilities approximate their fair values, due to the liquidity, short-term maturities and nature of such items. The fair values of other non-current assets (excluding advances to contractor and downpayments to land owners), non-current portion of trade receivables, lease liabilities, loans payable, bonds payable and customers deposits are close to market rates.

As at June 30, 2024 and December 31, 2023, the Group does not have financial instruments that are measured using the fair value hierarchy.

23 Critical accounting estimates and assumptions and judgments

There were no changes in management’s use of estimates, assumptions and judgments as disclosed in the Company’s annual financial statements as at and for the period ended June 30, 2024 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

24 Basis of preparation

These condensed consolidated interim financial statements as at and for the three-month period ended June 30, 2024 have been prepared in accordance with PAS 34, “Interim Financial Reporting”.

The condensed consolidated interim financial statements do not include all the notes normally included in annual financial statements. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual financial statements as at and for the year ended December 31, 2023 and any public announcements made by the Company during the three-month period ended June 30, 2024. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as of January 1, 2024. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

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

(a) New standards, amendments and interpretations to existing standards adopted by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for June 30, 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

25 Events after the reporting period

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the condensed consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the condensed consolidated financial statements when material.

Citicore Renewable Energy Corporation
(A wholly-owned subsidiary of Citicore Power Inc.)

Reconciliation of Retained Earnings Available for Dividend Declaration
For the period ending June 30, 2024
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year		4,780,977,558
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others	-	
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	-
Unappropriated Retained Earnings, as adjusted		4,780,977,558
Add/Less: Net Income for the current year		4,583,136,111
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	-	
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to- market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Adjusted net income/loss	-	4,583,136,111
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	-
Total Retained Earnings, end of the year available for dividend declaration		9,364,113,669

15 July 2024

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Re: **CITICORE RENEWABLE ENERGY CORP.**
Quarterly Progress Report as of and for the Quarter Ended 30 June 2024 on the Application of Proceeds from the Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the initial public offering of **CITICORE RENEWABLE ENERGY CORP.** (the "Company") on 07 June 2024, we submit herewith the Company's quarterly report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the quarter ended 30 June 2024 are as follows:

Net Offering Proceeds	**PhP**	**4,516,704,530.00**
Less: Disbursements		
Costs incurred for the quarter ended June 30, 2024		282,620,213.66
	PhP	**282,620,213.66**
Balance of the Offering Proceeds as of June 30, 2024	**PhP**	**4,234,084,316.34**

Disbursements Breakdown	Q2 2024	Q3 2024	Q4 2024	Q1 2025	To date
Solar Plant Capital Expenditures	PhP -	PhP -	PhP -	PhP -	PhP -
Battery Energy Storage System		-	-	-	-
General Purpose	282,620,213.66	-	-	-	282,620,213.66
Total Disbursements as of June 30, 2024	**PhP 282,620,213.66**	**PhP -**	**PhP -**	**PhP -**	**PhP 282,620,213.66**

We hope you find everything in order.

Very truly yours,

CITICORE RENEWABLE ENERGY CORP.

By:

____

MIA GRACE PAULA S. CORTEZ

Chief Financial Officer

Agreed-upon Procedures Report on Quarterly Progress Report on Use of Proceeds from the Listing of Citicore Renewable Energy Corporation

To the Board of Directors and Shareholders of
Citicore Renewable Energy Corporation
(A subsidiary of Citicore Power, Inc.)
11F Rockwell Santolan Town Plaza
276 Col. Bonny Serrano Avenue
San Juan City, Metro Manila

Purpose of this Agreed-upon Procedures Report

Our report is solely for the purpose of assisting Citicore Renewable Energy Corporation (the "Company") in connection with the Company's compliance with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's certification on the information being presented by the Company with respect to the Quarterly Progress Report (the "Report") dated July 15, 2024 on the application of net proceeds received by Company from its shares offering ("Offering Proceeds") as at June 30, 2024 and for the period from June 7, 2024 (listing date) to June 30, 2024 relating to the application of the Offering Proceeds and not may not be suitable for another purpose.

Responsibilities of the Engaging Party

The board of directors and shareholders of the Company have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board of Accountants (IESBA) Code.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

Our firm applies Philippine Standard on Quality Control (PSQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated July 12, 2024 performed solely to assist the Company comply with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's certification on the information being presented by the Company relating to the application of the Offering Proceeds.

The agreed-upon procedures and the results thereof are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the following:
   a. The Report;
   b. Schedule of planned use of proceeds from the offering circular; and
   c. Detailed schedule of utilization of proceeds as at and for the period ended June 30, 2024.

No exceptions noted.

We present below the summary of the breakdown and application of the Offering Proceeds as at and for period ended June 30, 2024 based on the information we obtained from the Company.

	Estimated timing of disbursements	Initial allocation of Offering Proceeds on June 7, 2024	Reallocations	Allocation of Offering Proceeds as at June 30, 2024	Application of Offering Proceeds for the period ended June 30, 2024	Balance of Offering Proceeds as at June 30, 2024
Capital expenditures and pipeline development (Solar energy plants)	2024	2,361,354,537	-	2,361,354,537	-	2,361,354,537
Capital expenditures and pipeline development (Solar energy plants)	2025	632,505,680	-	632,505,680	-	632,505,680
Capital expenditures and pipeline development (BESS)	2024	1,222,844,313	-	1,222,844,313	-	1,222,844,313
General corporate purposes	2024-2025	300,000,000	-	300,000,000	(282,620,214)	17,379,786
		4,516,704,530	-	4,516,704,530	(282,620,214)	4,234,084,316

2. We have traced the gross proceeds and net proceeds received amounting P4,821 million and P4,517 million, respectively, based on the Report to the escrow account and agreement and accounting records. No exceptions noted. Details are as follows:

	Amount
Gross proceeds	4,821,430,500
Initial public offering (IPO) expenses	(304,725,970)
Net proceeds	4,516,704,530

3. We have obtained the schedule showing the list of disbursements as at June 30, 2024 and reconciled the amount of disbursements on the Report. No exceptions noted.

Use of proceeds	Amount	
	Per Report	Per schedule of disbursements
Capital expenditures	-	-
General corporate purposes	282,620,214	282,620,214
	282,620,214	282,620,214

4. We traced the reported application of IPO proceeds for the period ended June 30, 2024, on a sampling basis based on agreed threshold to cover significant amounts, to the Company's accounting records and corresponding supporting documents (e.g. disbursement vouchers, billing statements, invoices, official receipts and bank statements). We selected IPO expenses and IPO disbursement totalling to P224,333,546 and P282,620,214, respectively. No exceptions noted.

5. We have examined and identified the nature of the disbursements based on the corresponding supporting documents and noted that the disbursements were classified appropriately according to its nature.

6. We have obtained written management's representation and noted that there were no reallocations made on the Company's planned use of IPO proceeds or any changes in the work program as disclosed in the final prospectus submitted to the PSE dated May 22, 2024 .

Restriction on distribution and use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 12, 2024 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
July 15, 2024

Citicore Renewable Energy Corporation and Subsidiaries
Aging of Receivables
As of June 30, 2024

	Current	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	Over 180 days	Non-current	Total
AR Trade	471,076,382	58,484,819	5,213,770	2,481,769	2,574,193	275,883	430,662	4,486,205	121,542,085	666,565,767
Lease receivable - PFRS 16	-	-	-	-	-	-	-	-	70,257,213	70,257,213
Total	**471,076,382**	**58,484,819**	**5,213,770**	**2,481,769**	**2,574,193**	**275,883**	**430,662**	**4,486,205**	**191,799,298**	**736,822,980**