

# COVER SHEET

SEC Registration Number

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## Company Name

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

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

1	5	F		A	S	E	A	N	A		3		D	.	M	A	C	A	P	A	G	A	L		B	L	V	D	.	
C	O	R	.	A	S	E	A	N		A	V	E	.	,	A	S	E	A	N	A		C	I	T	Y	,				
P	A	R	A	N	A	Q	U	E		C	I	T	Y																	

Form Type

1	7	-	Q	
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Department requiring the report

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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

info@dmwai.com
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Company's Telephone Number/s

8854 - 5711
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Mobile Number

0917-622-4285
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No. of Stockholders

28
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Annual Meeting  
Month/Day

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Fiscal Year  
Month/Day

June 30
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## CONTACT PERSON INFORMATION

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

Name of Contact Person

BENIGNO A. TATUNAY
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Email Address

info@dmwai.com
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Telephone Number/s

8854 - 5711
-------------

Mobile Number

0917-622-4285
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Contact Person's Address

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

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

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, 2025**
2. Commission identification number **26986**
3. BIR Tax Identification No **000-846-618-000**
4. Exact name of issuer as specified in its charter **D.M. Wenceslao & Associates, Incorporated**
5. Province, country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office and postal Code  
**15<sup>th</sup> Floor, Aseana 3, D. Macapagal Blvd. corner Asean Ave., Aseana City, Paranaque City**
8. Issuer's telephone number, including area code: **(632) 8854-5711**
9. Former name, former address and former fiscal year, if changed since last report: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

**As of June 30, 2025**

Title of each class

Number of shares issued and outstanding  
and amount of debt outstanding

Capital Stock, P1 par value

3,395,864,100

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

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Stock Exchange: **Philippine Stock Exchange**

Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND DECEMBER 31, 2024**  
*(Amounts in Philippine Pesos)*

	Notes	June 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
<b><u>A S S E T S</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	<b>P 4,312,810,322</b>	P 4,631,655,073
Receivables - net	8	<b>3,923,621,023</b>	3,433,517,447
Contract asset		<b>1,654,789,827</b>	1,706,603,706
Land and land development costs	10	<b>11,772,424,145</b>	11,723,087,039
Property development costs	9	<b>2,553,688,284</b>	2,567,674,557
Other current assets	11	<b>1,333,376,410</b>	1,505,752,998
Total Current Assets		<b>25,550,710,011</b>	25,568,290,820
<b>NON-CURRENT ASSETS</b>			
Receivables	8	<b>5,393,722,489</b>	5,393,722,489
Investments in associates and joint venture	12	<b>48,253,482</b>	48,320,285
Property and equipment - net	13	<b>320,545,150</b>	325,813,329
Investment properties - net	14	<b>22,044,142,146</b>	22,116,006,095
Deferred tax assets		<b>833,723</b>	776,104
Other non-current assets	16	<b>1,014,143,009</b>	288,058,857
Total Non-current Assets		<b>28,821,639,999</b>	28,172,697,159
<b>TOTAL ASSETS</b>		<b>P 54,372,350,010</b>	P 53,740,987,979

	Notes	June 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	17	P 979,166,667	P 260,666,667
Trade and other payables	18	2,647,401,178	3,004,718,055
Contract liability		77,643,987	107,941,425
Advances from related parties	23	3,561,408,057	3,607,777,570
Deposits and advances	19	709,161,681	763,182,932
Lease liabilities	15	10,757,770	10,209,561
Income tax payable		52,302,376	128,173,814
Total Current Liabilities		8,037,841,716	7,882,670,024
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	17	2,604,166,667	2,604,166,666
Deposits and advances	19	750,886,938	977,040,151
Deferred tax liabilities - net		1,388,864,227	1,330,988,769
Lease liabilities	15	519,425,885	520,075,323
Retirement benefit obligation - net		44,096,084	44,296,084
Total Non-current Liabilities		5,307,439,801	5,476,566,993
Total Liabilities		13,345,281,517	13,359,237,017
<b>EQUITY</b>			
Equity attributable to holders of the parent company			
Capital stock	25	3,395,864,100	3,395,864,100
Additional paid-in capital		6,964,649,807	6,964,649,807
Revaluation reserves - net		( 48,999,180 )	( 48,999,180 )
Other reserves		( 275,974,845 )	( 275,974,845 )
Retained earnings		24,811,949,660	24,198,354,778
Total equity attributable to holders of the parent company		34,847,489,542	34,233,894,660
Noncontrolling interest		6,179,578,950	6,147,856,302
Total Equity		41,027,068,492	40,381,750,962
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 54,372,350,009</b>	<b>P 53,740,987,979</b>

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
*(Amounts in Philippine Pesos)*  
**(UNAUDITED)**

	Notes	April 1 to June 30, 2025	January 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2024
<b>REVENUES</b>					
Rentals:					
Land	14	P 314,801,321	P 661,141,181	P 336,045,752	P 679,968,273
Building	14	352,708,443	759,097,707	349,253,010	669,262,347
Other revenues		139,589,058	286,319,225	97,124,768	223,161,822
		<u>807,098,822</u>	<u>1,706,558,113</u>	<u>782,423,530</u>	<u>1,572,392,442</u>
Sale of residential units	9	10,814,410	178,112,212	87,256,242	234,821,537
Other Revenue		9,353,036	14,408,194	-	-
Construction contracts		<u>2,325,403</u>	<u>3,591,962</u>	<u>8,374,982</u>	<u>11,382,118</u>
		<u>829,591,671</u>	<u>1,902,670,481</u>	<u>878,054,754</u>	<u>1,818,596,097</u>
<b>COSTS OF SERVICES AND SALES</b>					
Rentals	20	173,811,240	381,391,973	165,481,022	326,201,206
Sale of residential units	9, 20	( 2,507,982 )	63,413,175	38,778,292	101,863,987
Construction contracts	20	<u>2,304,466</u>	<u>3,510,712</u>	<u>4,865,617</u>	<u>7,626,983</u>
		<u>173,607,724</u>	<u>448,315,860</u>	<u>209,124,931</u>	<u>435,692,176</u>
		<u>655,983,947</u>	<u>1,454,354,621</u>	<u>668,929,823</u>	<u>1,382,903,921</u>
<b>GROSS PROFIT</b>					
<b>OTHER OPERATING INCOME (EXPENSES)</b>					
General and administrative	22	( 193,331,506 )	( 321,755,454 )	( 162,781,891 )	( 265,347,220 )
Selling	22	( 10,484,313 )	( 11,497,734 )	( 11,497,667 )	( 32,615,528 )
Other Operating Income	21	<u>40,842,522</u>	<u>60,263,162</u>	<u>48,263,598</u>	<u>72,690,455</u>
		<u>( 162,973,297 )</u>	<u>( 272,990,026 )</u>	<u>( 126,015,960 )</u>	<u>( 225,272,293 )</u>
		<u>493,010,650</u>	<u>1,181,364,595</u>	<u>542,913,863</u>	<u>1,157,631,628</u>
<b>OPERATING PROFIT</b>					
<b>OTHER INCOME (CHARGES)</b>					
Finance costs	17, 21	( 55,890,467 )	( 101,120,939 )	( 75,156,515 )	( 101,460,472 )
Finance income	7	70,360,067	122,383,347	57,681,453	106,010,411
Share in net income (loss) of associates and joint ventures		34,187	( 56,803 )	-	( 90,990 )
		<u>14,503,787</u>	<u>21,205,605</u>	<u>( 17,475,062 )</u>	<u>4,458,949</u>
		<u>507,514,437</u>	<u>1,202,570,200</u>	<u>525,438,801</u>	<u>1,162,090,577</u>
<b>PROFIT BEFORE TAX</b>					
<b>TAX EXPENSE</b>					
		<u>118,253,137</u>	<u>234,644,978</u>	<u>146,595,091</u>	<u>217,366,114</u>
<b>NET PROFIT</b>					
		<u>P 389,261,300</u>	<u>P 967,925,222</u>	<u>P 378,843,710</u>	<u>P 944,724,463</u>
Net profit attributable to:					
Equity holders of the parent company		P 373,775,611	P 936,202,574	P 367,468,561	P 918,180,988
Noncontrolling interest		<u>15,485,689</u>	<u>31,722,648</u>	<u>11,375,149</u>	<u>26,543,475</u>
		<u>P 389,261,300</u>	<u>P 967,925,222</u>	<u>P 378,843,710</u>	<u>P 944,724,463</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
		<u>P 389,261,300</u>	<u>P 967,925,222</u>	<u>P 378,843,710</u>	<u>P 944,724,463</u>
Earnings Per Share - Basic and Diluted	25	<u>P 0.11</u>	<u>P 0.28</u>	<u>P 0.11</u>	<u>P 0.27</u>

*See Notes to Condensed Consolidated Interim Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIODS ENDED JUNE 30, 2025 AND 2024**  
*(Amounts in Philippine Pesos)*  
**(UNAUDITED)**

Attributable to Owners of the Parent Company											
Note	Capital Stock	Additional Paid-in Capital	Revaluation Reserves - Net	Other Reserves	Retained Earnings		Total	Noncontrolling Interest	Total Equity		
					Unappropriated	Appropriated					
Balance at January 1, 2025	P 3,395,864,100	P 6,964,649,807	( P 48,999,180 )	( P 275,974,845 )	P 22,998,354,176	P 1,200,000,000	P 34,233,894,058	P 6,147,856,302	P 40,381,750,360		
Cash dividends declared	-	-	-	-	( 322,607,090 )	-	( 322,607,090 )	-	( 322,607,090 )		
Appropriation during the year	-	-	-	-	( 3,000,000,000 )	3,000,000,000	-	-	-		
Total comprehensive income for the period	-	-	-	-	936,202,574	-	936,202,574	31,722,648	967,925,222		
Balance at June 30, 2025	<b>P 3,395,864,100</b>	<b>P 6,964,649,807</b>	<b>( P 48,999,180 )</b>	<b>( P 275,974,845 )</b>	<b>P 20,611,949,660</b>	<b>P 4,200,000,000</b>	<b>P 34,847,489,542</b>	<b>P 6,179,578,950</b>	<b>P 41,027,068,492</b>		
Balance at January 1, 2024	P 3,395,864,100	P 6,964,649,807	( P 51,259,390 )	( P 275,974,845 )	P 21,351,875,613	1,200,000,000	P 32,585,155,285	P 6,105,040,559	P 38,690,195,844		
Effect of adoption of PFRS 15 for real estate (Note 2)	-	-	-	-	( 141,108,727 )	-	( 141,108,727 )	-	( 141,108,727 )		
Cash dividends declared	-	-	-	-	( 268,176,532 )	-	( 268,176,532 )	-	( 268,176,532 )		
Total comprehensive income for the period	-	-	-	-	918,180,988	-	918,180,988	26,543,475	944,724,463		
Balance at June 30, 2024	<b>P 3,395,864,100</b>	<b>P 6,964,649,807</b>	<b>( P 51,259,390 )</b>	<b>( P 275,974,845 )</b>	<b>P 21,860,771,342</b>	<b>P 1,200,000,000</b>	<b>P 33,094,051,014</b>	<b>P 6,131,584,034</b>	<b>P 39,225,635,048</b>		

— *See Notes to Condensed Consolidated Interim Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
(A Subsidiary of Wendel Holdings Co., Inc.)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
(Amounts in Philippine Pesos)  
(UNAUDITED)

	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		P 1,202,570,200	P 1,162,090,577
Adjustments for:			
Depreciation and amortization	13,14,15	189,988,165	201,730,629
Finance costs	21	98,507,679	101,292,663
Interest income	21	( 122,383,347 )	( 106,010,411 )
Share in net losses (earnings) of associates and joint ventures		56,803	90,990
Operating profit before working capital changes		1,368,739,500	1,359,194,448
Increase in receivables		( 450,821,970 )	( 623,547,915 )
Decrease in contract asset		51,813,879	244,326
Increase in land and land development costs		( 28,316,345 )	( 105,238,836 )
Decrease (Increase) in property development costs		13,986,273	( 202,875,214 )
Decrease (Increase) in other assets		( 681,399,046 )	67,994,632
Increase (Decrease) in trade and other payables		( 485,490,438 )	79,998,743
Increase (Decrease) in contract liability		( 30,297,438 )	21,537,294
Increase (Decrease) in deposits and advances		( 280,174,464 )	278,350,190
Increase (Decrease) in retirement benefit obligation		( 200,000 )	-
Cash generated from operations		( 522,160,049 )	875,657,668
Interest received		122,383,347	106,010,411
Net Cash From (Used in) Operating Activities		( 399,776,702 )	981,668,079
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Construction in progress and development costs of investment properties	10, 14	( 107,554,558 )	( 580,248,388 )
Additional advances from related parties	23	( 39,281,606 )	-
Acquisitions of property and equipment	13	( 32,341,635 )	( 35,102,315 )
Net Cash Used in Investing Activities		( 179,177,799 )	( 615,350,703 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	28	( 322,607,090 )	( 268,176,352 )
Repayments of interest-bearing loans and borrowings	17	718,500,001	( 162,500,000 )
Repayments of lease liabilities	15	( 12,457,428 )	( 15,001,638 )
Finance costs paid	21	( 76,956,320 )	( 80,013,790 )
Obtained (Paid) advances from related parties	23	( 46,369,413 )	( 59,530,268 )
Net Cash From (Used in) Financing Activities		260,109,750	( 585,222,048 )
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		( 318,844,751 )	( 218,904,672 )
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		4,631,655,073	4,855,269,205
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		P 4,312,810,322	P 4,636,364,533

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**NOTES TO CONDENSED CONSOLIDATED INTERIM**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**  
**(UNAUDITED)**  
*(With Comparative Audited Figures as of December 31, 2024)*  
*(Amounts in Philippine Pesos)*

**1. CORPORATE INFORMATION**

**1.1 Incorporation and Operations**

D.M. Wenceslao & Associates, Incorporated (DMWAI or the Parent Company) was incorporated in the Philippines on April 7, 1965. DMWAI is presently engaged in the trade and business of general builders and contractors and related activities such as acting as specialty construction contractors, supervisors or managers in all cases of constructions, erections and works both public and private, real estate business and leasing.

On June 29, 2018, the Parent Company's shares of stock were listed at the Philippine Stock Exchange (PSE) (see Note 25).

DMWAI holds certain investments in entities that are either subsidiaries, associates or joint ventures and all are incorporated in the Philippines (see Notes 1.2 and 12).

DMWAI is a subsidiary of Wendel Holdings Co., Inc. (WHI or Ultimate Parent Company), a company incorporated and domiciled in the Philippines. WHI is presently engaged in raising investments either through borrowings, sale or lease of its capital assets. The effective percentage of ownership of WHI in DMWAI aggregates to 79.96% as of June 30, 2025 and December 31, 2024.

DMWAI's registered address and principal place of business is located at 15th Floor, Aseana 3, D. Macapagal Blvd. cor. Asean Ave., Aseana City, Parañaque City.

On November 5, 2020, the WHI's BOD approved the change of WHI's registered office from 306 E. Rodriguez Sr. Boulevard, Quezon City to 15th Floor Aseana 3, Asean Ave., cor Pres. Macapagal Blvd., Brgy. Tambo, Parañaque City. The change in WHI's registered office address was approved by the SEC on August 16, 2021 but remains pending with the BIR as of the date of the issuance of the 2024 consolidated financial statements.



## 1.2 Subsidiaries, Associates and Joint Ventures

The Parent Company holds effective ownership interests in certain subsidiaries (together with the Parent Company, collectively hereinafter referred to as the “Group”), associates, and joint ventures, that are currently operating or are established to engage in businesses related to the main business of the Parent Company, in these consolidated interim financial statements.

As of June 30, 2025 and December 31, 2024, the following summarizes the effective percentage of ownership or interest of DMWAI over these entities:

Name of Subsidiaries/Associates/Joint Ventures	Explanatory Notes	Effective Percentage of Ownership/Interest	
		June 30, 2025	December 31, 2024
<b>Subsidiaries:</b>			
<i>Direct:</i>			
Aseana Residential Holdings Corp. (ARHC)	(a)	100.00%	100.00%
Aseana Holdings, Inc. (AHI)	(b)	99.98%	99.98%
Fabricom, Inc. (FI)	(c)	99.98%	99.98%
Fabricom Realty Development Corporation (FRDC)	(d)	62.20%	62.20%
R-1 Consortium, Inc. (R-1)	(e)	55.45%	55.45%
Alphaland Bay City Corporation (ABCC)	(f)	100.00%	100.00%
Bay Resources and Development Corporation (BRADCO)	(x)	51.00%	51.00%
Aseana Water Service Management Inc (AWSMI)	(z)	75.00%	75.00%
<i>Direct and Indirect:</i>			
Portal Holdings, Inc. (PHI)	(g)	100.00%	100.00%
Mandaue Land Consortium, Inc. (MLCI)	(h)	81.00%	81.00%
Aseana I.T. Plaza, Inc. (AITPI)	(i)	66.97%	66.97%
SHLP BBP Realty, Inc. (SBRI)	(j)	55.96%	55.96%
Aseana Ground Floor Holdings Corp. (AGFHC)	(k)	82.50%	82.50%
<i>Indirect:</i>			
58 Jupiter Inc. (formerly Reine, Inc.) (58 Jupiter) – <i>Accounted for as Asset Acquisition</i>	(l)	100.00%	100.00%
L&B Development Corporation (LBDC) – <i>Accounted for as Asset Acquisition</i>	(m)	100.00%	100.00%
Boracay International Airport & Dev’t Corp. (BIADC)	(n)	99.98%	99.98%
U-City Technologies Philippines, Inc. (UCTPI)	(o)	99.98%	99.98%
Aseana City Transport & Travel Corp. (ACTTC)	(p)	99.98%	99.98%
Aseana Gas Energy Corp. (AGEC)	(q)	99.98%	99.98%
Aseana Real Esate Services Management Corp. (ARESM)	(r)	95.98%	95.98%
Bay Area Holdings, Inc. (BAHI)	(s)	59.98%	59.98%
Aseana Resi Rent Corp. (ARRC)	(t)	100.00%	100.00%
Gallio Events, Inc. (GEI)	(y)	99.99%	99.99%
<b>Associates:</b>			
Alphaland Heavy Equipment, Corp. (AHEC)	(u)	50.00%	50.00%
European Resources and Technology, Inc. (ERTI)	(v)	42.00%	42.00%
Aseana CL, Beach and Marina Development Corporation (ACBMDC)	(w)	36.00%	36.00%

**Notes:**

- (a) Established to purchase, acquire and own, hold, use, assign, transfer, mortgage, pledge, exchange or otherwise dispose of, subject to limitations imposed by law, real and personal property, including but not limited to, land, buildings, condominiums, shares of stock, bonds and other securities.
- (b) Established to engage in the business of owning, holding, exchanging, or otherwise disposing such items as real and personal properties, and securities such as stocks, bonds and to take part and assist in any legal matter for the purchase and sale of any securities as may be allowed by law without acting as or engaging in the business of an investment house, mutual fund or broker or dealer in securities.
- (c) Established to engage in the business of importation and marketing of heavy equipment, industrial equipment or any commercial products, which may be the object of commerce for the attainment of corporate objectives. As more fully discussed in Note 28.4, the increase in the Parent Company's effective percentage ownership in FI and BAHF is a result of a deed of exchange representing a business combination that is accounted for under pooling of interest method involving entities under common control.
- (d) Established to engage in housing and real estate development and selling and engaging in other related activities.
- (e) Established to engage in general construction and other allied businesses including constructing, enlarging, repairing, removing, developing, or otherwise engaging in any work upon building roads, highways, manufacturing plants, bridges, airfields, piers, docks, mines, masonry and earth construction, and to make, execute, bid for and take or receive any contracts or assignment of contracts in relation thereto.
- (f) ABCC was established to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures. As more fully discussed in Note 13.2(b), ABCC became a subsidiary of DMWAI starting in 2019.
- (g) DMWAI's effective interest is derived from its 40.00% direct ownership and 60.00% indirect holdings through ARHC. PHI was established to purchase, subscribe for, or otherwise acquire and own, hold, use, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property, including but not limited to, land, buildings, condominiums, shares of stock, bonds and other securities.
- (h) DMWAI's effective interest is derived from its 40.00% direct ownership and 41.00% indirect holdings through AHI and R-1 which own 30.00% and 20.00%, respectively. MLCI was established to engage in general realty and other allied businesses including owning, improving, subdividing, developing, reclaiming, enlarging, repairing, constructing, exchanging, leasing and holding investment or otherwise, real estate and lands of all kinds and any buildings, houses and other structures.
- (i) DMWAI's effective ownership interest is derived from its 41.98% direct ownership and 24.99% indirect holdings through PHI. AITPI was established to engage in the business of owning, using, improving, developing, selling, exchanging, leasing, and holding for investment or otherwise, real estate of all kinds, including building houses, apartments and other structures, and related activities.
- (j) DMWAI's effective ownership is derived from its 29.98% direct ownership and 25.98% indirect holdings through AHI, BAHF and PHI which each owns 9.99% of SBRI. SBRI was established to engage in real estate development and engaging in other related activities.
- (k) The Group obtained control over AGFHC upon initial subscription of DMWAI and AHI to the additional common shares of AGFHC resulting to 7.5% direct ownership and 75% indirect ownership through AHI. The acquisition was accounted for as pooling-of-interest method of accounting as the previous stockholders of AGFHC were the principal stockholders of the Group [see Note 3.1(k)]. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting and no restatements are made to the financial information in the consolidated financial statements for periods prior to the business combination [see Note 2.3(a)(ii)]. AGFHC was incorporated in October 22, 1999 and has started commercial operations in 2021. The assets and liabilities acquired amounting to P0.4 million and P0.6 million, respectively, were assessed by management to be not significant. AGFHC was established to purchase, acquire, own, lease except financial leasing, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.
- (l) 58 Jupiter was acquired in 2017 and indirectly owned through AHI [see Notes 3.1(k) and 13.4]; established to acquire by purchase, lease, donation, or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances.
- (m) LBDC was acquired in 2020 and indirectly owned through ARHC [see Notes 3.1(k) and 13.4]; established to engage in real estate business; to acquire by purchase, lease, donation or otherwise, use improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold investment or otherwise, real estate of all kinds, whether improved, managed, or otherwise deal in or dispose of buildings, houses, apartments, townhouses, condominiums, and other structures of whatever kind together with the appurtenances or improvements found thereon.
- (n) Indirectly owned through AHI; established to build an international airport in Boracay, Municipality of Malay and/ or Carabao Island, San Jose, Romblon, Philippines.
- (o) Indirectly owned through AHI; established to install and provide electronic security apparatus and products to industrial, commercial and other establishments whether public or private for the purpose of securing or protecting properties and other related services. In 2016, AHI acquired through cash

consideration the entire 40.00% minority interest of the other stockholder resulting in 100.00% direct ownership by AHI in UCTPI (see Note 28.4).

- (p) Indirectly owned through AHI; established to engage in the business of transportation of passengers by means of public utility vehicles for the general public and to lease out or rent its public utility vehicles for special trips.
- (q) Indirectly owned through AHI; established to engage in, conduct and carry on the business of buying, selling, distributing, marketing of liquefied petroleum gas and other fuel products at wholesale or retail and to construct a reticulation network in strategically located tank to enable safe and sufficient distribution of piped gas to end users in Aseana Business Park.
- (r) Indirectly owned through AHI; established to acquire and manage properties such as commercial, residential, office condominium and industrial real estate.
- (s) Indirectly owned through FI; established to purchase, acquire, or otherwise own and hold, use, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, real and personal property, including land, buildings, condominiums and engaging in other related activities. As more fully discussed in Note 28.4, the increase in the Parent Company's effective percentage ownership in FI and BAHI is a result of a deed of exchange representing a business combination that is accounted for under pooling of interest method involving entities under common control.
- (t) Indirectly owned through AHI; established to engage in realty business, provided that it shall not solicit, accept or take investments or placements from the public, neither shall it issue investment contracts.
- (u) Indirectly owned through FI; established to purchase, import, or otherwise acquire, lease, sell, distribute, market, convey or otherwise dispose heavy equipment, machinery and related implements. As of December 31, 2021, AHEC is currently in the process of liquidation (see Note 13.1).
- (v) Established to engage in collecting, segregating, recycling, composting, filling, disposing, treating or otherwise managing household, industrial and other kinds of garbage for local, or other government units and private persons and firms as well as extended guidance and education for proper waste management.
- (w) DMWAP's effective interest is derived from its 10.00% direct ownership and 26.00% indirect holdings through AHI. ACBMDC was established to engage in real estate business with marinas, cruise liner facilities and beach resorts in all its aspects; to acquire, rent or otherwise deal in and dispose of all kinds or real estate objects, involving commercial, industrial, urban, residential or other kinds of real property.
- (x) BRADCO was established to acquire, develop and market real estate properties [see Note 13.2(a)].
- (y) GEI, an entity incorporated in 2023, is indirectly owned through AHI; was established to manage, operate and lease events facilities to engage in and carry on the business of events management.
- (z) AWSMI was established to construct, build, maintain and operate, own or hold, by purchase or otherwise, lease, rent or in any other manner lawfully acquired, by itself or through subsidiary or affiliate, pipelines, mains, water treatment and sewerage treatment.

As of June 30, 2025, FRDC, R-1, MLCI, AITPI, SBRI, BIADC, AGECE and ACBMDC have not yet started commercial operations.

### **1.3 Business Segments**

The Group's operating businesses are recognized and managed separately according to the nature of services provided (primary segments) and the different markets served (secondary segments) with a segment representing a strategic business unit. The Group's business segments follow:

- (a) *Rentals* – refers to leasing of real estate properties, including land and building and other structures.
- (b) *Construction* – principally refers to general construction business which involves site development, earthworks, structural and civil works, masonry works, architectural finishes, electrical works, plumbing and sanitary works, fire protection works and mechanical works.
- (c) *Sale of Land and Residential Units* – involve the development and sale of industrial and other parcels of land and residential condominium units. The Group has not identified any segment based on geographical location (see Note 4.4).
- (d) *Other Revenue* – refers to the utility services provided to locators.

### **1.4 Approval of Condensed Consolidated Interim Financial Statements**

The condensed consolidated interim financial statements of the Group as of and for the six months ended June 30, 2025 (including the comparatives as of December 31, 2024 and for the six months ended June 30, 2024) were approved and authorized for issue by the Parent Company's Chief Executive Officer (CEO) on August 14, 2025.

## **2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **(a) Statement of Compliance with Philippine Financial Reporting Standard**

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. In 2023 and in prior years, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

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

(b) *SEC Financial Reporting Reliefs Availed by the Group*

In 2023 and prior years, the Group has availed of several financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee (PIC), and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) using modified retrospective approach as allowed by SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, MC No. 34-2020 to clarify transitory provision*, and PIC Q&A No. 2018-12-E, *Treatment of land in the determination of Percentage of Completion (POC)*

The adoption of these standards and interpretations has resulted in adjustments to the amounts recognized in the consolidated financial statements as at January 1, 2024, with the cumulative effect recognized in equity as an adjustment to the opening balance of retained earnings for the current period.

Discussed below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at January 1, 2024.

(i) *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry*

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

As a result of the adoption of the IFRIC Agenda Decision, Property development costs decreased by P51.5 million as of January 1, 2024.

(ii) *PIC Q&A No. 2018-12-D, Concept of the Significant Financing Component in the Contract to Sell and PIC Q&A No. 2020-04, Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

As a result of the adoption of this interpretation, Contract assets as of January 1, 2024 increased by P42.8 million, Contract liabilities as at the said date increased by P191.3 million, while Deferred tax liability increase by P31.6 million.

(iii) *PIC Q&A No.2018-12-E, Treatment of Land in the POC*

Land on which the real estate development will be constructed shall also be excluded in the assessment of POC.

As a result of the adoption of this interpretation Property development cost increased by P9.0 million and Contract assets, Contract liabilities, Accrued commissions, and Prepaid commissions decreased by P9.3 million, P1.4 million, P9.8 million and P13.5 million, respectively.

The following table shows the summary of the impact of the adoption of IFRIC Agenda (PAS 23), PIC Q&A No. 2018-12D, and PIC Q&A No. 2018-12E on the Group's consolidated retained earnings as at January 1, 2024.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As previously reported</u>	<u>Restatement</u>	<u>As restated</u>
<u>January 1, 2024</u>				
<i>Consolidated Total assets:</i>				
Contract assets	2.1b(ii)			
	2.1b(iii)	1,773,351,501	<b>33,465,270</b>	1,806,816,771
Property development cost	2.1b(i)			
	2.1b(iii)	2,417,317,925	<b>(42,512,102)</b>	2,374,805,823
Other current assets	2.1b(iii)	1,822,259,868	<b>(13,501,517)</b>	1,808,758,351
			<b>(22,548,349)</b>	
<i>Consolidated Total liabilities</i>				
<i>Current liabilities:</i>				
Contract liabilities	2.1b(ii)			
	2.1b(iii)	187,304,069	<b>(189,941,781)</b>	377,245,850
Trade and other payables	2.1b(iii)	3,165,553,631	<b>9,848,036</b>	3,155,705,595
<i>Non-current liabilities –</i>				
Deferred tax liabilities - net	2.1b(ii)	1,340,347,076	<b>31,586,859</b>	1,371,933,935
<b>Impact on consolidated net assets</b>			<b>(165,541,390)</b>	

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents a consolidated statement of comprehensive income separate from the consolidated statement of profit or loss.

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

(d) *Functional and Presentation Currency*

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

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

### **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Group's last annual consolidated financial statements as of and for the year ended December 31, 2024.

### **4. SEGMENT REPORTING**

#### ***4.1 Segment Assets and Liabilities***

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, contract asset, land and land development cost, property development costs, property and equipment, and investment properties. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of loans and borrowings, trade and other payables, contract liability and deposits and advances. Segment assets and liabilities do not include deferred taxes.

#### ***4.2 Intersegment Transactions***

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.



### 4.3 Analysis of Segment Information

Segment information is analyzed as follows for the six months ended June 30, 2025 and 2024 (in thousands):

	Rentals		Construction		Sale of Land and Residential Units		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>REVENUES</b>										
Sales to external customers	P 1,706,558	P 1,572,392	P 3,592	P 11,382	P 178,112	P 234,822	P 14,408	P -	P 1,902,670	P 1,818,596
Intersegment sales	108,254	88,774	6,183	7,602	-	-	1,481	-	115,918	96,376
Total revenues	1,814,812	1,661,166	9,775	18,984	178,112	234,822	15,889	-	2,018,588	1,914,972
<b>COSTS AND OTHER OPERATING EXPENSES</b>										
Cost of sales and services excluding depreciation and amortization	209,770	154,441	3,511	7,627	63,413	101,864	-	-	276,694	263,932
Depreciation and amortization	171,622	171,760	-	-	-	-	-	-	171,622	171,760
Other expenses (income) – net	126,501	91,321	2,041	1,640	(6,531)	25,042	5,218	-	127,229	118,003
	507,893	417,522	5,552	9,267	56,882	126,906	5,218	-	575,545	553,695
<b>SEGMENT OPERATING PROFIT</b>	P 1,306,919	P 1,243,644	P 4,223	P 9,717	P 121,230	P 107,916	P 10,671	P -	P 1,443,044	P 1,361,277

Segment assets and liabilities are allocated to each segment as follows (in thousands):

	Rentals		Construction		Sale of Land and Residential Units		Others		Total	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities
June 30, 2025	P 35,995,869	P 13,938,816	P 5,001,552	P 366,084	P 20,483,524	P 3,636,941	P 83,715	P 20,836	P 61,564,660	P 17,962,678
December 31, 2024	35,233,364	13,682,346	5,257,012	436,413	20,460,016	3,774,326	-	-	60,950,392	17,893,085

Currently, the Group's operation is concentrated in one location; hence, it has no geographical segment (see Note 4.1).

Rental revenues from a single lessee account for 17.11% and 19.52% of the consolidated revenues for the six months ended June 30, 2025 and 2024, respectively.

Rentals segment assets include certain real estate assets (i.e., parcels of land) held as investment properties for capital appreciation or future lease.

#### 4.4 Reconciliations

The total segment balances presented for the Group's operating segments reconciled to the Group's consolidated balances as presented in the condensed interim consolidated financial statements are as follows (in thousands):

	June 30, 2025 <u>(Unaudited)</u>	June 30, 2024 <u>(Unaudited)</u>
<b>Revenues</b>		
Total segment revenues	P 2,018,588	P 1,914,973
Elimination of intersegment revenues	( 115,918)	( 96,376)
Revenues as reported in the condensed consolidated statements of comprehensive income	<u>P 1,902,670</u>	<u>P 1,818,597</u>
<b>Profit or loss</b>		
Segment operating profit	P 1,443,043	P 1,363,603
Elimination of intersegment revenues	( 115,918)	( 96,376)
Other unallocated expenses	( 145,760)	( 109,595)
Operating profit as reported in the condensed consolidated statements of comprehensive income	P 1,181,365	P 1,157,632
Finance costs	( 101,121)	( 101,460)
Finance income	122,383	106,010
Share in net income of associates and joint ventures	( 57)	( 91)
Profit before tax as reported in the condensed consolidated statements of comprehensive income	<u>P 1,202,570</u>	<u>P 1,162,091</u>

	June 30, 2025 <u>(Unaudited)</u>	December 31, 2024 <u>(Audited)</u>
<b>Assets</b>		
Segment assets	P 61,564,660	P 60,950,392
Deferred tax assets – net	834	776
Other unallocated assets**	7,788,740	7,769,364
Elimination of intercompany accounts	( 14,981,884)	( 14,979,544)
Total assets reported in the condensed- consolidated statements of financial position	<u>P 54,372,350</u>	<u>P 53,740,988</u>
<b>Liabilities</b>		
Segment liabilities	P 17,962,678	P 17,893,085
Deferred tax liabilities – net	1,388,864	1,330,989
Other unallocated liabilities**	623,280	660,289
Elimination of intercompany accounts	( 6,629,541)	( 6,525,126)
Total liabilities as reported in the condensed consolidated statements of financial position	<u>P 13,345,281</u>	<u>P 13,359,237</u>

*\*\*Other unallocated assets and liabilities mostly pertain to intercompany advances to and/or from related parties not eliminated in the consolidation.*

## 5. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to risk in relation to its operating, investing, and financial activities, and the business environment in which it operates. Generally, the Group's objectives in risk management are to ensure that it identifies, measures, monitors, and controls the various risks that arise from its business activities and that it adheres strictly to the policies, procedures, and control systems which are established to address these risks. In managing financial instruments, the Group is exposed to financial risk such as market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk and credit risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; hence, they should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended December 31, 2024.

There have been no significant changes in the risk management structure of the Group or in any risk management policies since the previous annual period.

## 6. FAIR VALUE MEASUREMENT AND DISCLOSURES

### 6.1 *Fair Value Hierarchy*

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

### 6.2 *Financial Instruments Measurement at Fair Value*

The Group's financial assets at fair value through other comprehensive income (FVOCI) include proprietary golf club shares, which are categorized within Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. Moreover, equity security held in a private company is included in Level 3 since its market value is not quoted in an active market, hence, measured using the market approach by reference to the fair value of a comparable instrument adjusted for inputs (i.e., financial forecast of cash flows or profit or loss) internally developed by management to consider the differences in corporate profile and historical performance of the entity. As of June 30, 2025 and December 31, 2024, the Group's financial assets measured at FVOCI amounted to P42.0 million. (see Note 16).

The Group has no financial liabilities measured at fair value as of June 30, 2025 and December 31, 2024.

There were no transfers between Levels 1, 2 and 3 instruments in both periods.

### 6.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The tables below summarize the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the condensed consolidated statements of financial position but for which fair value is required to be disclosed.

		June 30, 2025 (Unaudited)			
Notes		Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and cash equivalents	7	P 4,312,810,322	P -	P -	P 4,312,810,322
Receivables – net	8	-	-	9,087,936,529	9,087,936,529
Refundable deposits (presented as part of Other Non-current Assets)	16	-	-	82,135,196	82,135,196
		<b>P 4,312,810,322</b>	<b>P -</b>	<b>P 9,170,071,725</b>	<b>P 13,482,882,047</b>
<b>Financial Liabilities</b>					
Loans and borrowings	17	P -	P -	P 2,604,166,667	P 2,604,166,667
Trade and other payables	18	-	-	2,319,075,882	2,319,075,882
Advances from and due to related parties	23.2	-	-	3,561,408,057	3,561,408,057
Rental deposits	19	-	-	322,328,562	322,328,562
Construction bond	19	-	-	19,903,031	19,903,031
Lease liability	15.2	-	-	530,183,655	530,183,655
		<b>P -</b>	<b>P -</b>	<b>P 9,357,065,854</b>	<b>P 9,357,065,854</b>
		December 31, 2024 (Audited)			
		Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and cash equivalents	7	P 4,631,655,073	P -	P -	P 4,631,655,073
Receivables – net	8	-	-	8,728,134,258	8,728,134,258
Refundable deposits (presented as part of Other Non-current Assets)	16	-	-	81,434,079	81,434,079
		<b>P 4,631,655,073</b>	<b>P -</b>	<b>P 8,809,568,337</b>	<b>P 13,441,223,410</b>
<b>Financial Liabilities</b>					
Loans and borrowings	17	P -	P -	P 2,548,084,566	P 2,548,084,566
Trade and other payables	18	-	-	2,275,231,900	2,275,231,900
Advances from and due to related parties	23.2	-	-	3,731,427,899	3,731,427,899
Rental deposits	19	-	-	548,891,226	548,891,226
Construction bond	19	-	-	49,189,050	49,189,050
Lease liabilities	15.2	-	-	530,284,884	530,284,884
		<b>P -</b>	<b>P -</b>	<b>P 9,683,109,525</b>	<b>P 9,683,109,525</b>

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

#### 6.4 Fair Value Disclosures for Investment Properties Carried at Cost

The table below shows the levels within the hierarchy of non-financial assets that are not measured at fair value but for which fair values are disclosed as of June 30, 2025 and December 31, 2024.

	Note	Level 1	Level 2	Level 3	Total
<b>June 30, 2025 and December 31, 2024</b>					
Land	P	-	154,557,444,889	P -	P 154,557,444,889
Buildings and improvements		-	-	20,466,784,449	220,466,784,449
Construction in progress		-	-	502,654,013	502,654,013
14	<b>P</b>	<b>-</b>	<b>P154,557,444,889</b>	<b>P 20,969,438,462</b>	<b>P175,526,883,351</b>

The above fair value information is determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location. In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's investment properties is their current use.

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand and in banks	<b>P 1,227,324,956</b>	P 1,853,681,635
Short-term placements	<b>3,085,485,366</b>	2,777,973,438
	<b>P 4,312,810,322</b>	P 4,631,655,073

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods of between 30 to 90 days and earn effective interest ranging from 5.375% to 6.500% during the six months ended June 30, 2025 and 5.875% to 6.125% during the six months ended June 30, 2024. Interest income from cash in banks and short-term placements amounting to P122.4 million and P106.0 million in June 30, 2025 and 2024, respectively, is presented as part of Finance Income in the consolidated statements of comprehensive income.

## 8. RECEIVABLES

This account is composed of the following:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current:			
Rental receivables		P 2,314,831,706	P 1,917,430,408
Advances to:			
Related parties	23.1	796,849,076	751,894,388
Suppliers		229,406,983	246,255,917
Officers and employees		14,651,549	14,661,436
Contracts receivables		598,250,663	544,111,224
Retention receivables		2,032,715	2,032,716
Others		<u>32,759,800</u>	<u>18,994,478</u>
		3,988,782,492	3,495,380,567
Allowance for impairment		( 65,161,469)	( 61,863,120)
		<u>3,923,621,023</u>	<u>3,433,517,447</u>
Non-current:			
Rental receivables		<u>5,393,722,489</u>	<u>5,393,722,489</u>
		<u>P 9,317,343,512</u>	<u>P 8,827,239,936</u>

Receivables that are past due but not impaired as at the end of the six months reporting period are shown below:

	June 30, 2025	December 31, 2024
Not more than three months	P 333,023,137	P 259,324,520
More than three months but not more than one year	71,940,934	1,484,176
More than one year	<u>606,889,542</u>	<u>604,071,317</u>
	<u>P 1,011,853,613</u>	<u>P 864,880,013</u>

## 9. PROPERTY DEVELOPMENT COSTS AND REAL ESTATE TRANSACTIONS

The Group capitalized certain costs as property development costs representing properties under development and construction. Costs incurred comprise of actual costs of land, construction and related engineering, architectural and other consultancy fees related to the development of its residential condominium projects, “MidPark Towers” and “One Parq Suites”, all of which are located in Aseana City, 1702 Parañaque City, Metro Manila. It also includes certain parcels of land which will be developed for the Group’s other residential projects.

The accumulated balance of Property Development Costs as presented in the condensed consolidated statements of financial position as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
MidPark Towers	<b>P 1,691,581,638</b>	P 1,707,821,376
One Parq Suites	<b>66,444,058</b>	64,190,593
Raw Land	<b><u>795,662,588</u></b>	<u>795,662,588</u>
	<b><u>P 2,553,688,284</u></b>	<u>P 2,567,674,557</u>

Cost of residential units sold amounted to P63.4 million and P101.8 million for the six months ended June 30, 2025 and 2024, respectively (see Note 20.3).

Percentage of completion of MidPark Towers as at June 30, 2025 and 2024 is 95% and 92%, respectively.

## 10. LAND AND LAND DEVELOPMENT COSTS

This account pertains to the cost of land available for sale located in Aseana City; Ciudad Nuevo Park, Cavite City; and Woodridge Garden Village, Zamboanga City with a total lot area of 222,323 as of June 30, 2025 and December 31, 2024.

The analysis of the movements of the balance of Land and Land Development Costs is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at beginning of year	<b>P 11,723,087,039</b>	P11,711,683,241
Development costs during the year	<b><u>49,337,106</u></b>	<u>11,403,798</u>
Balance at end of period	<b><u>P 11,772,424,145</u></b>	<u>P11,723,087,039</u>



Management has estimated that the net realizable value of Land and Land Development Costs is higher than its carrying value as of June 30, 2025 and December 31, 2024. As of June 30, 2025 and December 31, 2024, certain portion of the parcels of land owned by the Group with a total lot area of 2,777 and carrying amount of P52.9 million, is used as collateral to secure certain peso denominated interest-bearing loans (see Note 17). The loans do not contain any restriction on the sale of the land except that the mortgage is annotated in the titles of the said properties.

## 11. OTHER CURRENT ASSETS

This account consists of the following:

	June 30, 2025 <u>(Unaudited)</u>	December 31, 2024 <u>(Audited)</u>
Deferred input value added tax (VAT)	P 719,053,954	P 738,661,949
Input VAT	343,858,027	444,885,174
Prepayments	163,714,568	197,815,663
Creditable withholding tax	54,567,716	73,192,267
Contract acquisition costs	41,728,727	40,744,527
Financial assets at FVTPL	<u>10,453,418</u>	<u>10,453,418</u>
	<u><b>P 1,333,376,410</b></u>	<u><b>P 1,505,752,998</b></u>

## 12. INVESTMENTS IN ASSOCIATES

The movements in the carrying amount of investments in associates, which is accounted for under the equity method in the condensed consolidated financial statements of the Group, are shown below.

	June 30, 2025 <u>(Unaudited)</u>	December 31, 2024 <u>(Audited)</u>
Acquisition costs	<u><b>P 56,913,213</b></u>	<u><b>P 56,913,213</b></u>
Accumulated share in net losses:		
Balance at beginning of period	( 8,592,928)	( 8,219,958)
Share in net losses	<u>( 66,803)</u>	<u>( 372,970)</u>
Balance at end of period	<u>( 8,659,731)</u>	<u>( 8,592,928)</u>
	<u><b>P 48,253,482</b></u>	<u><b>P 48,320,285</b></u>

### 13. PROPERTY AND EQUIPMENT

The gross carrying amounts and the accumulated depreciation and amortization of property and equipment at the beginning and end of the six months ended June 30, 2025 and the year ended December 31, 2024 are shown below.

	<u>Land</u>	<u>Land Improvements</u>	<u>Leasehold Improvements</u>	<u>Machinery and Construction Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Other Equipment</u>	<u>Building and Improvements</u>	<u>Total</u>
June 30, 2025									
Cost	P 9,360,782	P 110,413,233	P 95,230,482	P 530,176,073	P 107,065,004	P 205,495,861	P 16,180,993	P 242,167,539	P 1,316,089,967
Accumulated depreciation and amortization	<u>-</u>	<u>( 97,185,114)</u>	<u>( 84,013,179)</u>	<u>( 511,490,445)</u>	<u>( 86,278,087)</u>	<u>( 141,306,646)</u>	<u>( 14,837,791)</u>	<u>( 60,433,555)</u>	<u>( 995,544,817)</u>
Net carrying amount	<u><b>P 9,360,782</b></u>	<u><b>P 13,228,119</b></u>	<u><b>P 11,217,303</b></u>	<u><b>P 18,685,628</b></u>	<u><b>P 20,786,917</b></u>	<u><b>P 64,189,215</b></u>	<u><b>P 1,343,202</b></u>	<u><b>P 181,733,984</b></u>	<u><b>P 320,545,150</b></u>
December 31, 2024									
Cost	P 9,360,782	P 112,935,562	P 86,575,847	P 526,658,216	P 106,073,040	P 193,578,310	P 16,177,538	P 239,649,209	P 1,291,008,504
Accumulated depreciation and amortization	<u>-</u>	<u>( 88,070,935)</u>	<u>( 80,790,155)</u>	<u>( 509,431,490)</u>	<u>( 80,082,460)</u>	<u>( 138,195,199)</u>	<u>( 14,703,864)</u>	<u>( 53,921,072)</u>	<u>( 965,195,175)</u>
Net carrying amount	<u><b>P 9,360,782</b></u>	<u><b>P 24,864,627</b></u>	<u><b>P 5,785,692</b></u>	<u><b>P 17,226,726</b></u>	<u><b>P 25,990,580</b></u>	<u><b>P 55,383,111</b></u>	<u><b>P 1,473,674</b></u>	<u><b>P 185,728,137</b></u>	<u><b>P 325,813,329</b></u>
January 01, 2024									
Cost	P 9,291,800	P 112,935,562	P 76,347,570	P 512,147,620	P 94,169,361	P 190,516,495	P 16,177,538	P 239,649,209	P 1,251,235,155
Accumulated depreciation and amortization	<u>-</u>	<u>( 70,990,670)</u>	<u>( 70,243,245)</u>	<u>( 495,232,656)</u>	<u>( 70,347,268)</u>	<u>( 131,248,083)</u>	<u>( 14,597,533)</u>	<u>( 45,932,765)</u>	<u>( 898,592,220)</u>
Net carrying amount	<u><b>P 9,291,800</b></u>	<u><b>P 41,944,892</b></u>	<u><b>P 6,104,325</b></u>	<u><b>P 16,914,964</b></u>	<u><b>P 23,822,093</b></u>	<u><b>P 59,268,412</b></u>	<u><b>P 1,580,005</b></u>	<u><b>P 193,716,444</b></u>	<u><b>P 352,642,935</b></u>

A reconciliation of the carrying amounts at the beginning and end of the six months ended June 30, 2025 and the year ended December 31, 2024 of property and equipment is shown below.

	<u>Land</u>	<u>Land Improvements</u>	<u>Leasehold Improvements</u>	<u>Machinery and Construction Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Other Equipment</u>	<u>Building and Improvements</u>	<u>Total</u>
Balance at January 1, 2025, net of accumulated depreciation and amortization	P 9,360,782	P 24,864,627	P 5,785,692	P17,226,726	P 25,990,580	P 55,383,111	P 1,473,674	P 185,728,137	P 325,813,329
Additions	-	-	8,654,636	3,517,857	987,964	11,917,551	3,455	-	25,081,463
Depreciation and amortization charges for the period	-	( 11,636,508)	( 3,223,025)	( 2,058,955)	( 6,191,627)	(3,111,447)	( 133,927)	( 3,994,153)	( 30,349,642)
Balance at June 30, 2025, net of accumulated depreciation and amortization	<b><u>P 9,360,782</u></b>	<b><u>P 13,228,119</u></b>	<b><u>P 11,217,303</u></b>	<b><u>P 18,685,628</u></b>	<b><u>P 20,786,917</u></b>	<b><u>P 64,189,215</u></b>	<b><u>P 1,343,202</u></b>	<b><u>P 181,733,984</u></b>	<b><u>P 320,545,150</u></b>
Balance at January 1, 2024, net of accumulated depreciation and amortization	P 9,291,800	P41,944,892	P 6,104,325	P 16,914,964	P 23,822,093	P 58,779,285	P 2,069,132	P 193,716,444	P 352,642,935
Additions	68,982	-	9,743,153	14,510,596	11,903,679	4,036,069	-	-	40,262,479
Effect of consolidation of a subsidiary	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	( 489,127)	-	(489,127)
Depreciation and amortization charges for the year	-	(17,080,265)	( 10,061,786)	( 14,198,834)	( 9,735,192)	( 7,432,243)	( 106,331)	( 7,988,307)	( 66,602,958)
Balance at December 31, 2024, net of accumulated depreciation and amortization	<b><u>P 9,360,782</u></b>	<b><u>P24,864,627</u></b>	<b><u>P 5,785,692</u></b>	<b><u>P 17,226,726</u></b>	<b><u>P 25,990,580</u></b>	<b><u>P 55,383,111</u></b>	<b><u>P 1,473,674</u></b>	<b><u>P 185,728,137</u></b>	<b><u>P 325,813,329</u></b>

The amount of depreciation and amortization is allocated as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
General and administrative expense	22	P 21,686,125	P 65,805,413
Capitalized as part of land and land development costs		<u>8,663,517</u>	<u>797,545</u>
		<u>P 30,349,642</u>	<u>P 66,602,958</u>

#### 14. INVESTMENT PROPERTIES

The carrying amount of this account is composed of the following:

	Note	2025	2024
Investment properties – net		P 21,612,483,620	P 21,673,793,045
Right-of-use asset – net	15.1	<u>431,658,526</u>	<u>442,213,050</u>
		<u>P 22,044,142,146</u>	<u>P 22,116,006,095</u>

The gross amounts and the accumulated depreciation of investment properties at the beginning and end of the six months ended June 30, 2025 and the year ended December 31, 2024 are shown below.

	Land	Building and Improvements	Condominium Units	Construction in Progress	Total
June 30, 2025					
Cost	P 12,107,644,206	P 10,802,611,351	P 25,228,650	P 282,557,261	P 23,218,041,468
Accumulated depreciation	<u>-</u>	<u>( 1,595,490,961)</u>	<u>( 10,066,887)</u>	<u>-</u>	<u>( 1,605,557,848)</u>
Net carrying amount	<u>P 12,107,644,206</u>	<u>P 9,207,120,390</u>	<u>P 15,161,763</u>	<u>P 282,557,261</u>	<u>P 21,612,483,620</u>
December 31, 2024					
Cost	P 12,011,261,267	P 10,813,905,244	P 25,228,650	P 260,358,157	P 23,110,753,318
Accumulated depreciation	<u>-</u>	<u>( 1,427,397,959)</u>	<u>( 9,562,314)</u>	<u>-</u>	<u>( 1,436,960,273)</u>
Net carrying amount	<u>P 12,011,261,267</u>	<u>P 9,386,507,285</u>	<u>P 15,666,336</u>	<u>P 260,358,157</u>	<u>P 21,673,793,045</u>
January 1, 2024					
Cost	P 11,808,751,998	P 9,667,120,799	P 25,228,650	P 492,798,052	P 21,993,899,499
Accumulated depreciation	<u>-</u>	<u>( 1,102,684,006)</u>	<u>( 8,553,168)</u>	<u>-</u>	<u>( 1,111,237,174)</u>
Net carrying amount	<u>P 11,808,751,998</u>	<u>P 8,564,436,793</u>	<u>P 16,675,482</u>	<u>P 492,798,052</u>	<u>P 20,882,662,325</u>

The reconciliation of the carrying amounts of investment properties at the beginning and end of the six months ended June 30, 2025 and the year ended December 31, 2024 is shown below.

	<u>Land</u>	<u>Building and Improvements</u>	<u>Condominium Units</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2025, net of accumulated depreciation	P 12,011,261,267	P 9,386,507,285	15,666,336	P 260,358,157	P 21,673,793,045
Additions	96,382,939	-	-	-	96,382,939
Reclassifications	-	( 11,293,893)	-	22,199,104	10,905,211
Depreciation charges for the period	-	( 168,093,002)	( 504,573)	-	( 168,597,575)
Balance at June 30, 2025, net of accumulated depreciation	<b><u>P 12,107,644,206</u></b>	<b><u>P 9,207,120,390</u></b>	<b><u>P 15,161,763</u></b>	<b><u>P 282,557,261</u></b>	<b><u>P 21,612,483,620</u></b>
Balance at January 1, 2024, net of accumulated depreciation	P 11,808,751,998	P 8,564,436,793	P 16,675,482	P 492,798,052	P 20,882,662,325
Additions	202,509,269	914,344,550	-	-	1,116,853,819
Reclassifications	-	232,439,895	-	( 232,439,895)	-
Depreciation charges for the year	-	( 324,713,953)	( 1,009,146)	-	( 325,723,099)
Balance at December 31, 2024, net of accumulated depreciation	<b><u>P 12,011,261,267</u></b>	<b><u>P 9,386,507,285</u></b>	<b><u>P 15,666,336</u></b>	<b><u>P 260,358,157</u></b>	<b><u>P 21,673,793,045</u></b>

The amount of depreciation is allocated as follows:

	<u>Notes</u>	<u>June 30, 2025 (Unaudited)</u>	<u>December 31, 2024 (Audited)</u>
Cost of rentals	20.2	<b>P 162,332,410</b>	P 324,713,953
General and administrative expense	22	<b><u>6,265,165</u></b>	<u>1,009,146</u>
		<b><u>P 168,597,575</u></b>	<b><u>P 325,723,099</u></b>

Land and building rental revenues recognized from investment properties amounted to P1,420.2 million and P1,349.2 million for the six months ended June 30, 2025 and 2024, respectively, and are shown as Rentals under Revenues account in the condensed consolidated statements of comprehensive income. Costs incurred related to investment properties, including the depreciation, are presented as Rentals under Costs of Services and Sales account in the condensed consolidated statements of comprehensive income (see Note 20.2).

Management believes that the carrying amounts of investment properties are recoverable in full; hence, no impairment loss is recognized in 2025 and 2024.

Certain investment properties with carrying amount of P1,578.6 million as of June 30, 2025 and December 31, 2024, are used as collateral for certain loans with local banks (see Note 17).

The fair value of investment properties amounted to P167,561.0 million as of June 30, 2025 and December 31, 2024 (see Note 6.4).

## 15. LEASES

The Group leases certain parcels of land from WHI where the Group's certain investment properties are situated. Such leases have original term up to 30 years, and subject to escalation rate of 3% and enforceable renewal or extension options. The leases with WHI are reflected in the 2024 condensed consolidated statement of financial position as a right-of-use asset under Investment Properties (see Note 14) and lease liability.

Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

### 15.1 Right-of-use Asset

The carrying amount of the Group's right-of-use asset as at June 30, 2025 and December 31, 2024 and the movements during the period are shown below.

	<u>Note</u>	<u>June 30, 2025 (Unaudited)</u>	<u>December 31, 2024 (Audited)</u>
Balance at beginning of period		P 442,213,050	P 458,449,157
Amortization	20.2	( 10,554,524)	( 16,236,107)
Balance at end of period		<u>P 431,658,526</u>	<u>P 442,213,050</u>

The amount of depreciation allocated as part of costs of rentals is P9.3 million and P17.6 million as of June 30, 2025 and December 31, 2024, respectively.

### 15.2 Lease Liabilities

Lease liabilities are secured by the related underlying assets. Such liabilities are presented in the condensed consolidated statement of financial position as at June 30, 2025, and December 31, 2024 as follows:

	<u>June 30, 2025 (Unaudited)</u>	<u>December 31, 2024 (Audited)</u>
Current	P 10,757,770	P 10,209,561
Non-Current	<u>519,425,885</u>	<u>520,075,323</u>
	<u>P 530,183,655</u>	<u>P 530,284,884</u>

Interest expense in relation to lease liabilities amounted to P21.6 million and P21.3 million as of June 30, 2025 and 2024, respectively, and is presented as part of Finance Costs in the condensed consolidated statements of comprehensive income (see Note 21.2).

As of June 30, 2025, the Group has no commitments for leases (as lessee) entered into but which had not commenced.

## 16. OTHER NON-CURRENT ASSETS

This account includes the following:

	June 30, 2025 <u>(Unaudited)</u>	December 31, 2024 <u>(Audited)</u>
Project Advances	P 120,275,187	P 120,275,187
Advances to suppliers	833,212,603	107,763,674
Refundable deposits	82,135,196	81,434,079
Deposits for future investment	54,026,935	54,026,935
Financial assets at FVOCI	41,993,830	41,993,830
Others	<u>2,774,445</u>	<u>2,840,339</u>
	1,134,418,196	408,334,044
Allowance for impairment	<u>( 120,275,187)</u>	<u>( 120,275,187)</u>
	<u><b>P 1,014,143,009</b></u>	<u><b>P 288,058,857</b></u>

The reconciliation of the carrying amounts of financial assets at FVOCI is as follows:

	June 30, 2025 <u>(Unaudited)</u>	December 31, 2024 <u>(Audited)</u>
Balance at beginning of period	P 41,993,830	P 43,046,550
Unrealized fair value loss	<u>-</u>	<u>(1,052,720)</u>
Balance at end of period	<u><b>P 41,993,830</b></u>	<u><b>P 41,993,830</b></u>

Financial assets at FVOCI consist of investment in golf club shares and certain unquoted equity securities. The Group used Level 2 and 3 in determining the fair value of financial assets at FVOCI.

## 17. LOANS AND BORROWINGS

The Group's short-term and long-term loans and borrowings are classified in the condensed consolidated statements of financial position as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Current	<b>P 979,166,667</b>	P 260,666,667
Non-current	<b><u>2,604,166,667</u></b>	<u>2,604,166,666</u>
	<b><u>P 3,583,333,334</u></b>	<u>P 2,864,833,333</u>

Bank loans represent partially secured and unsecured loans from local commercial banks. Some loans bear fixed interest rates ranging from 3.5% to 3.90% in June 30, 2025 and December 31, 2024 and one loan is subject to quarterly repricing based on prevailing market rate.

In June 30, 2025 and 2024, interest costs related to bank loans amounted to P77.0 million and P80.0 million, respectively, and were recognized as part of Finance costs account in the condensed consolidated statements of comprehensive income (see Note 21.2).

Certain bank loans are partially secured by investment properties amounting to P1,578.6 million as of June 30, 2025 and December 31, 2024, respectively, and land and land development costs amounting to P52.9 million as of June 30, 2025 and December 31, 2024 (see Notes 10 and 14).

## 18. TRADE AND OTHER PAYABLES

This account consists of the following:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Accrued Expenses	<b>P 939,811,530</b>	P 1,140,718,879
Deferred output VAT payable	<b>694,978,622</b>	757,262,940
Retention payable	<b>573,643,945</b>	559,484,629
Trade payables	<b>328,325,297</b>	447,926,708
Other payables	<b><u>110,641,784</u></b>	<u>99,324,899</u>
	<b><u>P 2,647,401,178</u></b>	<u>P 3,004,718,055</u>



## 19. DEPOSITS AND ADVANCES

This account consists of:

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Current:		
Reservation deposits	<b>P 346,515,104</b>	P 232,556,675
Advance rentals	<b>174,663,927</b>	104,601,905
Unearned rent income	<b>163,412,164</b>	169,670,439
Construction bond	<b>19,903,031</b>	49,189,050
Security deposits	<b>3,608,887</b>	186,859,429
Others	<b><u>1,058,570</u></b>	<u>20,305,434</u>
	<b><u>709,161,682</u></b>	<u>763,182,932</u>
Non-current:		
Security deposits	<b>322,328,562</b>	365,598,969
Advance rentals	<b>247,051,075</b>	387,138,518
Unearned rent income	<b>97,332,000</b>	97,332,000
Buyers' deposits	<b>78,347,468</b>	121,529,674
Others	<b><u>5,827,833</u></b>	<u>5,440,990</u>
	<b><u>750,886,938</u></b>	<u>977,040,151</u>
	<b><u>P 1,460,486,620</u></b>	<u>P 1,740,223,083</u>

## 20. COSTS OF SERVICES

### *20.1 Cost of Construction Contracts*

The cost of construction contracts pertains to cost of subcontract amounting to P3.5 million in 2025 and P7.6 million in 2024.

### *20.2 Cost of Rentals*

The following are the details of direct costs and expenses of rentals, including common usage and service area charges:

	Notes	2025	2024
Depreciation	14, 15.1	<b>P 171,621,829</b>	P 171,760,196
Repairs and maintenance		<b>62,205,799</b>	20,453,202
Taxes and licenses		<b>47,651,341</b>	36,318,746
Outside services		<b>33,851,615</b>	29,789,865
Utilities		<b>25,764,000</b>	40,547,755
Office supplies		<b>12,749,627</b>	8,468,682
Professional fees		<b>8,904,635</b>	4,541,824
Others		<b>18,643,127</b>	14,320,936
		<b><u>P 381,391,973</u></b>	<b><u>P 326,201,206</u></b>

Others include cost of janitorial services, garbage fees, and other incidental fees.

### *20.3 Cost of Sale of Residential Units*

The following are the details of direct costs and expenses of residential units sold:

	2025	2024
Development costs	<b>P 52,584,477</b>	P 85,998,700
Land cost	<b>6,665,641</b>	9,765,931
Others	<b>4,163,057</b>	6,099,357
	<b><u>P 63,413,175</u></b>	<b><u>P 101,863,988</u></b>

Development costs pertain to work done by third party contractors relating to planning, design, architectural, and general construction of the residential units.

Others include permits and licenses, development changes, surveying, monumenting, titling fees, project management, contingencies and interest cost.

## 21. OTHER OPERATING AND NON-OPERATING INCOME (CHARGES)

### 21.1 Other Operating Income

		<u>2025</u>	<u>2024</u>
Forfeiture income	<b>P</b>	<b>32,668,707</b>	P 21,636,563
Income from rendering of administrative and other services		<b>21,296,333</b>	22,155,782
Sale of equipment		-	8,750,000
Others		<u><b>6,298,122</b></u>	<u>20,148,110</u>
	<b>P</b>	<u><b>60,263,162</b></u>	<u>P 72,690,455</u>

### 21.2 Finance Costs

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Interest expense on:			
Bank loans	17	<b>P 76,956,320</b>	P 80,013,790
Lease liabilities	15.2	<b>21,551,359</b>	21,278,873
Significant Financing component		<b>2,592,455</b>	-
Others		<u><b>20,805</b></u>	<u>167,809</u>
		<u><b>P 101,120,939</b></u>	<u>P 101,460,472</u>

## 22. OPERATING EXPENSES BY NATURE

The details of operating expenses by nature are shown below.

	Notes	2025	2024
Depreciation and amortization	13,14,15	<b>P 189,254,703</b>	P 192,883,003
Salaries and employee benefits		<b>101,877,912</b>	89,411,971
Taxes and licenses		<b>102,677,401</b>	79,040,228
Repairs and maintenance		<b>65,925,648</b>	22,618,046
Development costs		<b>52,584,477</b>	79,449,027
Outside services		<b>38,852,484</b>	33,968,257
Bond and insurance		<b>28,734,611</b>	22,604,992
Utilities		<b>27,859,615</b>	45,299,574
Association dues		<b>23,991,524</b>	18,014,405
Office supplies		<b>20,867,020</b>	11,310,394
Representation and entertainment		<b>20,835,198</b>	17,495,464
Professional fees		<b>18,975,814</b>	18,861,032
Corporate Affairs		<b>16,666,677</b>	758,070
Subscription Fee		<b>11,516,869</b>	7,042,985
Selling & Advertising		<b>8,168,820</b>	4,099,002
Land cost		<b>6,665,641</b>	9,765,931
Commission		<b>3,328,914</b>	28,516,527
Subcontract		<b>911,140</b>	2,705,019
Others		<b>41,874,580</b>	49,810,997
		<b><u>P 781,569,048</u></b>	<b><u>P 733,654,924</u></b>

Others include gasoline and oil, postage and communication, bid documents, subsistence, low value leases and other incidental expenses under the ordinary course of business.

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

	Notes	2025	2024
Cost of rentals	20.2	<b>P 381,391,973</b>	P 326,201,206
Cost of sale of residential units	20.3	<b>63,413,175</b>	101,863,987
Cost of construction contracts	20.1	<b>3,510,711</b>	7,626,983
General and administrative expenses		<b>321,755,455</b>	265,347,220
Selling expenses		<b>11,497,734</b>	32,615,528
		<b><u>P 781,569,048</u></b>	<b><u>P 733,654,924</u></b>

The details of general and administrative expenses are shown below.

	Notes	2025	2024
Salaries and employee benefits		<b>P 101,877,912</b>	P 91,411,971
Taxes and licenses		<b>55,026,060</b>	42,721,482
Depreciation and amortization	13, 14	<b>27,951,920</b>	21,122,806
Association dues		<b>23,991,524</b>	18,014,405
Representation and entertainment		<b>20,835,198</b>	17,495,464
Corporate Affairs		<b>16,666,677</b>	758,070
Subscription Fee		<b>11,516,869</b>	7,042,985
Bond and insurance		<b>10,091,484</b>	8,284,056
Professional fees		<b>10,070,179</b>	14,319,208
Office supplies		<b>8,117,393</b>	2,841,712
Outside services		<b>5,000,869</b>	4,178,392
Repairs and maintenance		<b>3,719,849</b>	2,164,844
Utilities		<b>2,095,615</b>	6,751,819
Others		<b>24,793,905</b>	28,240,006
		<b><u>P 321,755,454</u></b>	<b><u>P 265,347,220</u></b>

## 23. RELATED PARTY TRANSACTIONS

The Group's related parties include its Ultimate Parent Company, associates, joint ventures, related parties under common ownership and management, stockholders and key management personnel as described below.

The summary of the Group's significant transactions in 2025 and 2024 with its related parties and the outstanding balances as of June 30, 2025 and December 31, 2024 are presented below:

Related Party Category	Notes	Outstanding Balances		Amount of Transactions	
		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	2025	2024
<b>Ultimate parent company:</b>					
Cash advances granted	23.1	<b>P 471,585,396</b>	P 471,585,396	<b>P -</b>	P -
Advances from purchase of land	23.2	<b>( 3,474,819,771)</b>	( 3,522,401,851)	<b>47,582,080</b>	296,366,061
Cash advances paid (obtained)	23.2	<b>( 89,293,302)</b>	( 85,375,718)	<b>3,917,584</b>	-
Right-of-use assets		<b>431,658,526</b>	442,213,050	<b>( 10,554,524)</b>	42,236,107
Lease liability		<b>( 530,183,655)</b>	( 530,284,884)	<b>( 101,229)</b>	(4,553,003)
Management Fee		<b>100,591,880</b>	78,747,824	<b>21,844,056</b>	43,688,115
Interest expense		-	-	<b>21,005,442</b>	41,480,549
<b>Associates:</b>					
Cash advances granted	23.1	-	-	-	( 7,664,070)
<b>Joint ventures:</b>					
Cash advances granted	23.1	-	-	-	( 37,583,941)
Construction contracts		-	-	-	-
<b>Related parties under common ownership and management:</b>					
Cash advances granted (collected)	23.1	<b>215,113,632</b>	170,769,322	-	(6,025,408)
Cash advances paid (obtained)		<b>( 89,293,302)</b>	( 85,375,719)	<b>(3,917,583)</b>	133,577
Contracts of services		-	-	<b>44,318,902</b>	2,737,937
Other income		-	-	<b>14,255,678</b>	56,955,404
<b>Stockholders:</b>					
Cash advances granted (collected)	23.1	<b>110,150,048</b>	109,539,670	<b>610,378</b>	325,322
<b>Key management personnel – Compensation</b>		-	-	<b>32,053,650</b>	56,656,640

### ***23.1 Advances to Related Parties***

In the normal course of business, the Group grants unsecured and noninterest-bearing cash advances to related parties for working capital requirements and other purposes. The advances have no fixed repayment terms and collectible upon demand.

Certain advances to related parties are secured by an undertaking of another related party to pay in case of default. These advances are presented as Advances to related parties under Receivables account in the condensed consolidated statements of financial position (see Note 8).

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Ultimate parent company	<b>P 471,585,396</b>	P 471,585,396
Related parties under common ownership and management	<b>215,113,632</b>	170,769,322
Stockholders	<b><u>110,150,048</u></b>	<u>109,539,670</u>
	<b><u>P 796,849,076</u></b>	<u>P 751,894,388</u>

### ***23.2 Advances from Related Parties and Due to Ultimate Parent Company***

The Group has outstanding amount due to the Ultimate Parent Company representing a payable for certain land acquired in prior years. The Group also obtains cash advances from other related parties to assist its daily operational and other requirements.

## **24. EARNINGS PER SHARE**

Basic and diluted earnings per share were computed as follows:

	<b>2025 (Unaudited)</b>	2024 (Unaudited)
Net profit attributable to the equity holders of the Parent Company	<b>P 936,202,574</b>	P 918,180,988
Divided by weighted average number of outstanding common shares*	<b><u>3,395,864,100</u></b>	<u>3,395,864,100</u>
Basic and diluted earnings per share	<b><u>P 0.28</u></b>	<u>P 0.27</u>

\*The Group has no potential dilutive common shares as of June 30, 2025 and 2024.

## 25. CAPITAL STOCK

The Parent Company has an authorized capital stock of P4,000,000,000 divided into 4,000,000,000 shares with a par value of P1 per share, of which 3,395,864,100 shares or P3,395,864,100 are issued and outstanding as of June 30, 2025 and December 31, 2024.

On March 6, 2018, the Parent Company filed its application with the PSE for the listing of its common shares, which was approved by the PSE on May 23, 2018. Also on March 6, 2018, the Parent Company filed a Registration Statement covering the Initial Public Offering (IPO) of its common shares with the PSE, in accordance with the provisions of the SEC's Securities Regulation Code. Pursuant to its filing with the PSE, on June 29, 2018, the Parent Company issued through the IPO the additional 679,172,800 common shares at P12.00 price per share generating offering proceeds of P8,150.1 million. The related additional paid-in capital arising from the IPO, after deducting transaction costs associated with the issuance of shares, amounted to P6,964.6 million. The common share price closed at P5.10 per share and P5.2 per share as of June 30, 2025 and December 31, 2024, respectively.

Previously in 2015, the Parent Company issued 3,216,910 common shares at par value of P100.00 per share to a certain individual stockholder pursuant to a deed of exchange.

On May 14, 2020, the Parent Company's BOD unanimously approved a P1,000.0 million buyback program of the Parent Company's shares through the open market on the PSE subject to applicable SEC and PSE rules, for a period of two years or upon full utilization of the appropriated amount, whichever comes first. The Parent Company acknowledges that the share buyback program shall have an effect on the Parent Company's Minimum Public Ownership (MPO), and that it commits to bringing the MPO to the required percentage within a period of twelve months. As of the date of issuance of the 2024 consolidated financial statements, the SEC is yet to approve the Parent Company's buyback program and management has projected that the approved amount may only reach P300.0 million.

As of June 30, 2025 and December 31, 2024, there are 28 and 31 holders of the listed common shares owning at least one board lot of 100 shares. The public float lodged with PCD Nominee is counted as one stockholder only.

## 26. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

### *26.1 Operating Leases – Group as a Lessor*

The Group is a lessor under operating leases covering certain real estate properties presented in the consolidated statements of financial position as Investment Properties. Lease agreements with large tenants have terms ranging from five to 50 years with monthly rental payment on certain rate per square meter of leased area subject to annual escalation rates of 5.00% to 10.00% per annum. Some lease agreements have a term of one year, subject to annual renewal and monthly payment of minimum rental plus additional rental based on certain percentage of the lessee's gross sales.

The future minimum lease collections under these operating leases as of the end of the reporting period is as follows:

	<b>June 30, 2025 <u>(Unaudited)</u></b>	<b>December 31, 2024 <u>(Audited)</u></b>
Within one year	<b>P 2,059,612,891</b>	P 2,135,839,242
After one year but not more than two years	<b>1,997,953,527</b>	2,050,369,193
After one year but not more than three years	<b>1,719,056,022</b>	1,837,729,791
After one year but not more than four years	<b>1,348,688,622</b>	1,412,319,494
After one year but not more than five years	<b>1,126,596,462</b>	1,176,051,665
More than five years	<b><u>41,307,452,142</u></b>	<u>41,383,911,270</u>
	<b><u>P49,559,359,666</u></b>	<u>P 49,996,220,655</u>

## ***26.2 Legal Claims***

There are pending claims and legal actions filed by the Group or against the Group arising from the normal course of its business. Management believes that the ultimate liability, if any, with respect to such litigations, claims and disputes will not materially affect the financial position and results of operations of the Group.

## ***26.3 Deficiency Tax Assessments***

The Group has certain final deficiency tax assessment and has received letters of authority from the BIR, pursuant to which the BIR has sought to investigate certain tax periods of the Group and consequently examine certain books, records and accounts that relate to transactions in the ordinary course of business. There are final deficiency tax assessments in the ordinary course of business against the Company that are pending with the BIR covering taxable years 2013 and 2009. Pursuant to the Group's policy of addressing such actions in line with prudent business practice, the Group has engaged tax counsels and advisors in relation to these matters.

On February 6, 2025, the Court of Tax Appeals (CTA) denied the petition for review filed by the Commissioner of Internal Revenue affirming the cancellation and setting aside the final decision and final assessment notice for taxable year 2009. For the taxable year 2013, the final deficiency tax assessment is still under protest as of June 30, 2025. Management believes that the Group has enough legal basis under the law, Supreme Court and CTA decisions and evidence to support their claim; hence, no provisions were recognized in the financial statements.



#### **26.4 Reclaimed Land and Others**

The Group's existing land holdings in Aseana City, which were obtained pursuant to certain series of agreements involving reclamation and related projects with the Philippine Government, are entirely located on reclaimed foreshore land. Although the Group holds registered titles to these land holdings, Philippine law provides that issuance of titles does not create or vest title, but only constitutes evidence of ownership over such properties.

In view of this, the Group's ownership, registration, and possession of titles and actual possession of these land holdings do not negate the possibility that the Philippine Government or third parties may at any time, file lawsuits to challenge the Group's rights to these land holdings. While the PRA and the Philippine Office of the Government Corporate Counsel (OGCC) are of the opinion that the Group's titles can no longer be invalidated, there is no assurance that the Philippine Government or third parties will not challenge the Group's rights to such reclaimed lands in the future. Notwithstanding the foregoing, the Group is not aware of the validity of the Group's titles being questioned, impugned, challenged or invalidated by the Philippine Government or any other third party since the time the Group acquired ownership over these land holdings in Aseana City and up to the issuance of the Group's consolidated financial statements. In addition to the opinions of the PRA and OGCC, management believes that the Group has enough basis in law and in the decisions of the relevant courts, to support the validity of its titles and ownership over these subject properties.

There are other commitments, litigations and contingencies that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. As of June 30, 2025, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's consolidated financial statements.

### **27. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES**

The Group's capital management objectives are to ensure that the Group maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions primarily those current and expected future events that affect or likely to affect the real estate and leasing sector. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Group monitors its capital gearing by measuring the ratio of loans and borrowings to total capital and net loans and borrowings to total capital. Loans include all short-term and long-term borrowings while net interest-bearing loans include all short-term and long-term loans net of cash and cash equivalents.

As of June 30, 2025 and December 31, 2024, the Group's ratios of net interest-bearing loans to total capital are as follows:

	June 30, 2025 <u>(Unaudited)</u>	December 31, 2024 <u>(Audited)</u>
Total loans and borrowings	P 3,583,333,334	P 2,864,833,333
Less: Cash and cash equivalents and short-term placements	( <u>4,312,810,322</u> )	( <u>4,631,655,073</u> )
Net loans and borrowings (a)	( <u>729,476,988</u> )	( <u>1,766,821,740</u> )
Total equity	<u>41,027,068,492</u>	<u>40,381,750,962</u>
Net loans and borrowings and equity (b)	<u>P 40,297,591,504</u>	<u>P 38,614,929,222</u>
Gearing ratio (a/b)	<u><u>-2%</u></u>	<u><u>-5%</u></u>

## 28. CASH DIVIDENDS

On March 13, 2025, the Parent Company's BOD in the special meeting held approved the declaration of dividends amounting to P0.095 per share to shareholders as of the record dated April 11, 2025. The dividends were made payable on April 29, 2025.

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
**Schedule of Financial Indicators**  
**As required under SRC Rule 68, as amended**  
**For the Period Ended June 30, 2025 and 2024**  
*(Amounts in Philippine Pesos)*

		<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>I.</b>	<b>Current/liquidity ratios</b>		
a.	Current Ratio		
	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	<b>3.18</b>	3.24
b.	Quick Ratio		
	$\frac{[\text{Cash and Cash Equivalents} + \text{Receivables - net}]}{\text{Total Current Liabilities}}$	<b>1.02</b>	1.02
<b>II.</b>	<b>Solvency ratios</b>		
a.	Solvency Ratio		
	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	<b>4.07</b>	4.02
b.	Debt Ratio		
	$\frac{\text{Total Loans and Borrowings}}{\text{Total Assets}}$	<b>7%</b>	5%
c.	Debt-to-Equity Ratio		
	$\frac{\text{Total Loans and Borrowings}}{\text{Total Equity Attributable to Owners of Parent Company}}$	<b>9%</b>	8%
<b>III.</b>	<b>Asset-to-equity ratio</b>		
	$\frac{\text{Total Assets}}{\text{Total Equity Attributable to Owners of Parent Company}}$	<b>1.33</b>	1.57
<b>IV.</b>	<b>Interest Coverage Ratio</b>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	$\frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Costs}}$	<b>15.1</b>	14.5
<b>V.</b>	<b>Profitability Ratios</b>		
a.	Net Profit Margin		
	$\frac{\text{Net profit Attributable to Owners of the Parent Company}}{\text{Revenues}}$	<b>49.2%</b>	50.5%
b.	Gross Profit Margin		
	$\frac{\text{Gross Profit}}{\text{Revenues}}$	<b>76.4%</b>	77.0%
c.	Return on Equity (Annualized)		
	$\frac{\text{Net profit Attributable to Owners of the Parent Company}}{\text{Average Equity Attributable to Owners of the Parent Company}}$	<b>6.1%</b>	6.1%

d.	Return on Assets (Annualized) Net profit Attributable to Owners of the Parent Company	4.0%	4.0%
	<hr/> Average Total Assets		
e.	Recurring income Rental revenue	89.7%	86.5%
	<hr/> Total revenue		

**D. M. WENCESLAO & ASSOCIATES, INCORPORATED**

15<sup>th</sup> Floor, Aseana 3

**D. Macapagal Blvd. corner Aseana Ave., Aseana City, Parañaque City**  
**Reconciliation of Retained Earnings Available for Dividend Declaration**  
**As of and for the quarter ended June 30, 2025**

<b>Unappropriated Retained Earnings at Beginning of Year</b>		<b>P 5,950,881,053</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earning Appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others	-	
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	( 322,607,090 )	
Retained Earnings appropriated during the reporting year	( 3,000,000,000 )	
Effect of restatements or prior-period adjustments	-	
Others	-	( 3,322,607,090 )
<b>Unappropriated Retained Earnings at Beginning of Year, as adjusted</b>		<b>2,628,273,964</b>
<b>Add: Net Income for the Current Year</b>		<b>404,093,325</b>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
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 result of certain transactions accounted for under the PFRS	( 308,869,647 )	
Sub-total		( 308,869,647 )
<b>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)</b>		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>		
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 of financial instrument at FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		-
<i>Balance carried forward</i>		
<b>Adjusted Net Income</b>		<b>P 2,723,497,641</b>

*Balance brought forward*

**Adjusted Net Income**

**P 2,723,497,641**

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)

-

Sub-total

-

**Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP**

Amortization of the effect of reporting relief

-

Total amount of reporting relief granted during the year

-

Others

-

Sub-total

-

**Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**

Net movement of (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 set-up of service concession asset and concession payable

-

Adjustment due to deviation from PFRS/GAAP - gain (loss)

-

Others

( 17,539,079 )

Sub-total

( 17,539,079 )

**Unappropriated Retained Earnings Available for Dividend Distribution at End of Quarter**

**P 2,705,958,563**

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### DMW's 1H2025 Net Income Rises to ₱936 Million

Financial and Operational Highlights

(In Millions Pesos, except for financial ratios and percentages)

	Six months ended June 30 (UNAUDITED)				
	2025	% to Revenues	2024	% to Revenues	% Change
Profit & Loss Data					
Revenues	1,903	100%	1,818	100%	5%
Cost of services and sales	448	23%	436	24%	3%
Gross profit	1,454	76%	1,383	76%	5%
Other operating expenses – net	273	14%	225	12%	21%
Net income attributable to the owners of the Parent company	936	49%	918	50%	1%
	June 30, 2025		Dec 31, 2024		
	Amount	% to Total Assets	Amount	% to Total Assets	% Change
	(UNAUDITED)		(AUDITED)		
Balance Sheet Data					
Total Assets	54,372	100%	53,740	100%	1%
Total Liabilities	13,345	24%	13,359	24%	0%
Total Equity attributable to owners of the Parent company	34,848	64%	34,234	63%	2%
	As of the period ended				
Other Key Financial Ratios	June 30, 2025		December 31, 2024		
Current Ratio	3.18		3.24		
Debt to Equity	9%		8%		
	June 30, 2025		June 30, 2024		
Return on Equity	6%		6%		
*Net income ratio	49%		51%		
Recurring Income Contribution	90%		87%		
*Attributable to parent					

*\*Attributable to parent*

## ***Revenue***

Total consolidated revenue increased by P84.1 million or 4.6%, from P1,818.6 million for the six months ended June 30, 2024 to P1,902.7 million for the same period in 2025, primarily due to the following:

### ***Sale of Residential Units***

The revenue from sale of residential units decreased by P56.7 million or 24.1%, from P234.8 million for the six months ended June 30, 2024 to P178.1 million during the same period in 2025. This decrease was primarily attributable to the decrease in incremental percentage of completion for Midpark in 2025 compared to the incremental percentage of completion for the same period in 2024.

### ***Rentals***

The total rental revenue increased by P134.2 million or 8.5%, from P1,572.4 million for the six months ended June 30, 2024 to P1,706.6 million for the same period in 2025. The increase was attributable to the increase in occupancy rates of Parqal and 8912 Ave.

### ***Construction Contracts***

The total construction contracts decreased by P7.8 million or 68.4%, from P11.4 million for the six months ended June 30 in 2024 to P3.6 million for the same period in 2025. The decrease was attributable to decrease in construction activities rendered to external parties.

## ***Cost of Services and Sales***

Total consolidated cost of services and sales increased by P12.6 million or 2.9%, from P435.7 million for the six months ended June 30, 2024 to P448.3 million for the same period in 2025 primarily due to the following:

### ***Cost of Residential Units***

Cost of sale of residential units decreased by P38.5 million or 37.8%, from P101.9 million for the six months ended June 30, 2024 to P63.4 million for the same period in 2025 in relation to the decrease in its related revenue as discussed above.

### ***Cost of Rentals***

Cost of rentals increased by P55.2 million or 16.9%, from P326.2 million for the six months ended June 30, 2024 to P381.4 million for the same period in 2025. The increase was attributable to real property taxes and increase in cost of building maintenance from increasing occupancy.



### ***Construction Contracts***

Cost of construction contracts decreased by P4.1 million or 54.0%, for the six months ended June 30, 2025. As discussed above, the decrease was primarily attributable to the decrease in construction activities rendered to external parties.

### ***Operating expenses – net***

Operating expenses – net increased by P47.7 million or 21.2% from P225.3 million for the period ended June 30, 2024 to P273.0 million for the same period in 2025 primarily from corporate affairs and depreciation from additional PPE acquired during the period.

### ***Tax Expense***

Tax expense increased by P17.2 million or 7.9%, from P217.4 million in 2024 to P234.6 million in 2025 significantly due to the increase in current tax expense on increased revenues. Additionally, the increase was due to timing differences in revenue recognition for income tax purposes, particularly from Midpark sales, which reached the revenue threshold in 2024.

### ***Net Profit Attributable to Parent***

Net profit attributable to parent company increased by P18.0 million or 2.0%, from P918.2 million in 2024 to P936.2 million in 2025, as discussed in details in the revenue, cost of services and sales, operating expenses and taxes portions of this report.

### ***Balance Sheet Accounts***

#### ***Total Assets***

The Company's total assets increased by P631.4 million or 1.2%, from P53,741.0 million as of December 31, 2024 to P54,372.4 million as of June 30, 2025 due to the following:

- Cash and cash equivalents decreased by P318.8 million or 6.9%, from P4,631.7 million to P4,312.8 million as of December 31, 2024 and June 30, 2025, respectively, in relation to dividend declaration.
- Other non current assets increased by P726.0 million or 252.0%, from P288.1 million to P1,014.1 million as of December 31, 2024 and June 30, 2025, respectively, primarily due to the construction of Aseana Plaza.
- Other current assets decreased by P172.4 million or 11.4%, from P1,505.8 million to P1,333.4 million as of December 31, 2024 and June 30, 2025, respectively, primarily due to the utilization of input VAT.

- Receivables increased by P490.1 million or 5.6%, from P8,827.2 million to P9,317.3 million as of December 31, 2024 and June 30, 2025, respectively, primarily due to the recognition of rental receivable based on PAS17.
- Contract Asset decreased by P51.8 million or 3.0%, from P1,706.6 million to P1,654.8 million as of December 31, 2024 and June 30, 2025, respectively, primarily due to the decrease in the incremental percentage of completion for Midpark in 2025 compared to the incremental percentage of completion for the same period in 2024.
- Investment properties - net decreased by P71.9 million or 0.3%, from P22,116.0 million to P22,044.1 million as of December 31, 2024 and June 30, 2025, respectively, due to the depreciation during the period.

### ***Total Liabilities***

Total liabilities decreased by P14.0 million or 0.1%, from P13,359.2 million to P13,345.3 million from December 31, 2024 and June 30, 2025, respectively, due to the following:

- Loans and borrowings increased by P718.5 million or 25.1%, from P2,864.8 million to P3,583.3 million as of December 31, 2024 and June 30, 2025, respectively, due to the additional loan in relation to construction of Aseana Plaza.
- Trade and other payables decreased by P357.3 million or 11.9%, from P3,004.7 million to P2,647.4 million as of December 31, 2024 and June 30, 2025, respectively, significantly due to payment to suppliers and subcontractors.
- Deposit and advances decreased by P280.2 million or 16.1%, from P1,740.2 million to P1,460.1 million as of December 31, 2024 and June 30, 2025, respectively, mainly due to application of advance rentals.
- Contract liability decreased by P30.3 million or 28.1%, from P107.9 million to P77.6 million as of December 31, 2024 and June 30, 2025, respectively, mainly due to the decrease in the amount received from real estate customers in excess of the amount the Group has rights to receive based on the progress of the real estate development.

### ***Total Equity***

Total equity increased by P645.3 million or 1.6%, from P40,381.8 million to P41,027.7 million as of December 31, 2024 and June 30, 2025, respectively, primarily due to the results of operation for the six months ended June 30, 2025, net of declaration of cash dividends of P322.6 million.

### ***Other Key Financial Ratios***

The Company's key performance indicators are measured in terms of the following: (a) Current ratio which determines the liquidity of the Company (b) Debt to equity which determines the Company's financial leverage (c) Return on equity which measures the profitability to capital provided by stockholders (d) net income ratio which measures the ratio of net profit to total gross revenue (e) recurring income contribution.

Current ratio decreased to 3.18 from 3.24 as of June 30, 2025 and December 31, 2024, respectively, mainly due to the increase short-term rental deposits as a result of new lease contracts.

Debt to equity ratio increased to 9% from 8% as of June 30, 2025 and December 31, 2024, mainly due to additional loan in relation to Aseana Plaza.

Net income margin decreased to 49% from 59% as of June 30, 2025 and 2024, mainly due to the increase in cost of rentals during the period.

Recurring income ratio slightly increased to 89.7% from 84.0% as of June 30, 2025 and 2024.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default acceleration of an obligation. There were no contingent liabilities or assets in the Company's statements of financial position. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

There are no known trends, events, material changes, seasonal aspects or uncertainties that are expected to affect the Company's continuing operations.

### ***Key Operating Data***

As of June 2025, DMW's total commercial building gross leasable area stood at 235,846 square meters, with a 73% occupancy rate -- outpacing estimates for the Manila Bay Area published by leading real estate advisory firms. This highlights the strategic value of Aseana City's transit connectivity, placemaking efforts, and strong tenant mix.

Parqal, DMW's flagship mixed-use development, continues to exhibit strong leasing performance and rising foot traffic, supported by a stable inflation environment and more accommodative interest rate conditions, which have collectively buoyed consumer activity across the estate.

In the residential segment, MidPark Towers is approaching full completion, with two of the four towers already finished. Construction progress has surpassed 93% as of end-June, keeping the project on track for full completion within the year.

DMW's leased-out land portfolio stood at 180,731 square meters, comprising long-term leases across commercial and institutional locators in Aseana City. The LRT-1 Redemptorist–Aseana Station, operational since late 2024, continues to enhance estate accessibility for both residents and employees.

### ***Project and Capital Expenditure***

As of the period ended June 30, 2025, the Company already spent P7,599.2 million from the IPO proceeds. The Group expects to incur capital expenditures of approximately P3.0 billion which will be funded through internally generated funds or external borrowings.

**SIGNATURES**


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

Issuer: **D.M. WENCESLAO & ASSOCIATES, INC.**

By:



**DELFIN ANGELO C. WENCESLAO**  
Chief Executive Officer



**BENIGNO A. TATUNAY**  
Chief Finance Officer

Date: August 14, 2025