



SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2025**
2. SEC 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 , Parañaque 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 December 31, 2025**

<u>Title of each class</u>	<u>Number of shares issued and outstanding and amount of debt outstanding</u>
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. Check whether the issuer:

(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

13. Aggregate market value of the voting stock held by non-affiliates: P3.40 billion as of end 2025

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes  No

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

2025 Audited Consolidated Financial Statements (incorporated as reference for Items 1, 6, 7 & 12 of SEC Form 17-A)

SEC MC No.4 Annex A (Sustainability Report) for item 13.B

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## **PART I – BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **Business Development and Principal Products or Services**

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 December 4, 2012, the Philippine Securities and Exchange Commission (SEC) approved the Parent Company’s application for the extension of its corporate life. The shares of stock of the Company are officially listed in the PSE on June 29, 2018. The Company listed 679,172,800 Common Shares generating proceeds (the Offering Proceeds) of P8,150.1 million.

DMWAI holds certain investments in entities that are either subsidiaries, associates, or joint venture (collectively referred to herein as the “Group”). 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 December 31, 2025 and 2024, respectively.

DMWAI is an integrated property developer with an established track record and market-leading capabilities in land reclamation, construction and real estate development. The Group is the master developer of Aseana City, a development project with an approximate total land area of 1,074,714.0 sq.m. and is part of the larger 2,040,000.0 sq.m. CBP-BC project, which the Company reclaimed. Aseana City is positioned to become the next major mixed-use or “Next Generation” CBD in Metro Manila, anchored by tourism, recreational developments and retail malls. These sectors have and continue to attract large investments into the Philippines, and we expect revenues from these sectors to increase correspondingly. Our master plan for Aseana City is designed to create a self-contained community and to specifically attract the middle-class working families and middle-income executives who work in these sectors.

Aseana City is situated close to two of the most significant recreational and entertainment districts in Metro Manila – PAGCOR’s Entertainment City and the SM Group’s Mall of Asia development. PAGCOR’s Entertainment City is a gaming and entertainment complex featuring high-end integrated casinos and tourism resorts, such as City of Dreams Manila, Solaire Resort & Casino, and Okada Manila, which attract leisure and tourist traffic to the entire area.

The Group possesses, in the aggregate, one of the largest contiguous land holdings in Metro Manila with a total area of 623,537 sq.m. located in Aseana City. As of December 31, 2025, the Group has eleven (11) existing developed properties with leasable floor area of 235,846 sq.m., eight (8) of which are located in Aseana City. Also, as of December 31, 2025, the Group has already launched two (2) residential projects with total saleable area of 60,151 sq.m. The first residential project namely “Pixel Residences” was fully turned over by the end of 2021 while the second residential project named Midpark Towers is scheduled to be completed in 2026.

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.

Subsequently, on November 12, 2025, the BOD approved the transfer of WHI's registered office address back to DMWAI Building, 306 E. Rodriguez Sr. Avenue, Don Manuel, Quezon City 1113, Second District, NCR. The change in WHI's office address was approved by the SEC on December 16, 2025.

The following are the significant subsidiaries and associates of the Parent Company:

<u>Name of Subsidiaries</u>	<u>Date and Place of Incorporation</u>	<u>Percentage of Ownership</u>
<b><u>A. Real estate Development</u></b>		
Aseana Residential Holdings Corp. (ARHC),	July 6, 1999	100.00%
Aseana Holdings, Inc. (AHI)	March 20, 1996	99.98%
Aseana Ground Floor Holdings Corp. (AGFHC)	October 22, 1999	82.5%
58 Jupiter Inc. (58 Jupiter)	October 18, 1996	100%
L&B Development Corporation (L&B)	October 18, 1968	100%
Aseana Resi Rent Corporation (ARRC)	February 4, 2020	100%
<b><u>B. Land Holding</u></b>		
Portal Holdings, Inc. (PHI)	May 7, 1999	100.00%
Bay Area Holdings, Inc. (BAHI)	August 30, 1999	59.98%
Bay Resources and Development Corporation (BRADCO)	February 4, 1993	51.00%
<b><u>C. Construction and Land Reclamation</u></b>		
Fabricom, Inc. (FI)	February 13, 1986	99.98%
R-1 Consortium, Inc. (R-1)	May 31, 1996	55.45%
Mandaue Land Consortium, Inc. (MLCI)	June 7, 2002	81.00%
<b><u>D. Ancillary Services</u></b>		
U-City Technologies Philippines, Inc. (UCTPI)	October 4, 2013	99.98%
Aseana Real Estate Services Management Corp. (ARESM)	July 5, 2011	95.98%
Aseana Gas Energy Corp. (AGEC)	May 18, 2011	99.98%
Aseana City Transport & Travel Corp. (ACTTC)	December 9, 2010	99.98%
Aseana Water Services Management Inc. (AWSMI)	March 27, 2023	98.81%

The Company has three business segments, namely, rentals, construction and, sale of land and condominium units and others. The contribution of each of the business segments as of and for the year ended 2025 are as follows (in thousands)

	<u>Rentals</u>	<u>Construction</u>	<u>Sale of Land and Condominium Units</u>	<u>Total</u>
<b>REVENUES</b>				
Sales to external customers	P 3,287,950	P 1,707	P 499,045	P 3,788,702
Intersegment sales	<u>214,293</u>	<u>13,970</u>	<u>-</u>	<u>228,263</u>
Total revenues	<u>3,502,243</u>	<u>15,677</u>	<u>499,045</u>	<u>4,016,965</u>
<b>COSTS AND OTHER OPERATING EXPENSES</b>				
Cost of sales and services excluding depreciation and amortization	390,840	566	82,728	474,134
Depreciation and amortization	349,619	-	-	349,619
Other expenses	<u>250,840</u>	<u>5,143</u>	<u>(42,456)</u>	<u>213,527</u>
	<u>991,299</u>	<u>5,709</u>	<u>40,272</u>	<u>1,037,280</u>
<b>INTEREST EXPENSE ON LEASE LIABILITIES</b>	<u>42,471</u>	<u>-</u>	<u>-</u>	<u>42,471</u>
<b>SEGMENT OPERATING PROFIT (after interest on lease liabilities)</b>	<u>P 2,468,473</u>	<u>P 9,968</u>	<u>P 458,773</u>	<u>P 2,932,714</u>

Further details relating to business segment data are disclosed in Note 4 of the attached 2025 consolidated financial statements.

As of December 31, 2025, the Company had a market capitalization of P18 billion.

For the year 2026, the Company expects to incur at least P3.6 billion for its capital expenditures.

### Enterprise Risk Management

Our Board of Directors, through its Audit and Risk Committee, oversees the development and implementation of a sound Enterprise Risk Management (ERM) framework to effectively identify, assess, manage and monitor material risks. The members of the Audit and Risk Committee possess an adequate understanding of the assessment, management, and mitigation of risks to which the company is or may be exposed. They develop a formal risk management plan which contains the following:

- a. common language or register of risks,
- b. well-defined risk management goals, objectives and oversight,
- c. uniform processes of assessing risks and developing strategies to manage prioritized risks,
- d. designing and implementing risk management strategies, and
- e. continuing assessments to improve risk strategies, processes and measures.

Our management, on the other hand, is responsible for the development, implementation, and reporting of the Company's risk management plan, processes, and strategies. They define and develop a sound risk management practice, which provides a systematic and structured framework of identifying, assessing, communicating, cost-effective managing, and monitoring

inherent and emerging risks that could materially affect the achievement of our objectives and goals.

As part of our risk management plan, the Management identifies the risks that could threaten the attainment of the Company's mission and vision, taking into considerations the economic, environmental, social, and governance (EESG) factors. The identified risks are assessed based on the assessment of impact and likelihood to determine the overall risk rating or materiality. The Management then determines and implements appropriate risk mitigation plans and strategies to address material risk. Responsibilities, accountabilities, and timelines for the action plans and strategies are defined to ensure implementation of the action plans. The Management periodically monitors and evaluates these risks, including the effectiveness of the risk mitigation plans and strategies.

### **Distribution methods of Products or Services**

#### *Sales, Leasing and Marketing*

Our sales, leasing and marketing department is responsible for determining appropriate sales or lease plans for our land and properties. The main responsibilities of our sales staff, many of whom are licensed brokers, include analyzing market conditions, gathering and analyzing customers' information and profiles, preparing and executing marketing and promotional campaigns, recommending lease rates, unit prices and pricing-related policies for our land and properties, and negotiating the contracts for our sales and leases. They are in regular communications with accredited brokers and reputable third-party sales agents regarding our properties. On a per project basis, we assess the need for an exclusive marketing or leasing agent.

Our sales and leasing team is also responsible for managing our marketing initiatives, mainly through the use of print media and social media. They conduct market analysis to identify the appropriate target customer base and determine the advertising and sales plans for a particular property development and for a particular phase of the sales cycle. We appoint a media marketing agent on a yearly basis who carries out our advertising and promotional campaigns in accordance with a pre-approved annual plan and budget. We have adopted a standardized branding and marketing strategy covering advertisements, slogans and publicity materials in respect of our property developments in Aseana City. This approach enables us to uniformly promote our Aseana City concept of living and effectively builds up our brand image in line with our overall strategy of national growth.

### **Competition**

The principal competitive factors affecting the property development industry include the location of the developments, the quality, workmanship and variety of designs, the sales and marketing strategies adopted by the developers, branding and the after-sale property management services.

Our developments are predominantly located in Aseana City, and we believe we compete with other property developers and commercial property operators in close proximity within the Manila Bay area, such as SM Development Corporation, Double Dragon Properties Corp., Filinvest Land Inc., Megaworld Corp. and Federal Land Incorporated. In addition, the commercial and residential property market in Metro Manila is highly competitive and fragmented. As such, we face competition posted by other property developers and threats of new players entering the property development industry in Metro Manila. Some of our competitors may have greater brand recognition and financial, technical and marketing resources than us.

Our principal method of competition is flexibility in our negotiation of commercial terms with customers. We maintain flexibility on payment terms, the amount of the down payment required and the payment period to make our land available for sale more attractive to customers. For our commercial projects, we are open to tenant negotiations on the length of the rent-free period or fit out period as well as rent escalation rates. Despite the high level of competition, we believe that the experience built up by our management, our track record in real estate development, leasing and management, and our understanding of local market preferences and conditions will enable us to compete effectively.

We believe that our land reclamation and infrastructure projects focused construction business is capital intensive in nature and requires significant technical expertise, operational and management know-how and financial resources, which all represent substantial barriers to entry. Furthermore, we have an over 50 years operating history and a proven track record in land reclamation and infrastructure construction, rendering us, we believe, one of the leading players in this sector in the Philippines. We primarily compete in terms of our flexibility on our target profit margin for the project, which affects our overall project pricing, and the amount of down payment required from the customer.

The Philippine construction industry for the residential and commercial property markets is fragmented and highly competitive, especially in the Metro Manila area, with many construction companies competing aggressively in the same target market. These companies have existing or on-going residential and commercial projects in the Metro Manila area. We face strong competition from major domestic, Asian and international players who may have greater financial, human and other resources, larger sales networks and greater name recognition than us. The Philippines construction industry is expected to be driven by rising infrastructure demand from various industries such as business process outsourcing, tourism and, given the positive economic outlook for the Philippines, we expect greater focus on this sector from existing competitors such as DMCI Holdings, Inc., Megawide Construction Corporation and F.F. Cruz & Co., Inc., and potentially new entrants into the market. We also believe that the less technically complex sub-segments of the construction business, an area that is not our focus, will have lower barriers of entry and therefore will see more competition amongst smaller construction companies.

Notwithstanding the strong competition that we face, our Group believes that our established track record and standing in the industry and an integrated business model that allows us to fully leverage the synergies across our business segments and strategic land holdings in Aseana City will offer us a competitive advantage over our competitors and provide us with a platform for sustained future growth.

### **Suppliers**

The Company has a broad range of suppliers, both local and foreign. We typically engage them on a per project basis whose contracts usually range from one to five years. We have maintained long-standing relationships with the majority of our suppliers and worked with them repeatedly for our projects. We select our suppliers based on the quality of their products and services and the competitiveness of their prices. We source raw materials through a centralized purchasing function and place mass orders of raw materials, which help us to lower our costs and standardize the materials used for the construction of each of our projects.

## Customers

### *Contracts for Land Sales*

Our land sales process is standardized. Once full payment is made, we execute a deed of absolute sale in favor of the purchaser and title ownership of the land is only transferred at that stage.

### *Land Lease Agreements*

For our land leases, we generally enter into mid to long-term leases ranging from 10 to 20 years, taking into account the estimated construction periods for the developments to be built on the relevant land plots.

In September 2014, however, we signed a 45-year lease with Ayala Land for a parcel of land with an area of 92,317.0 sq.m. to be used as the site for the Ayala Malls Manila Bay, its highly anticipated mixed-use mall and hotel development.

In December 2021, to strengthen the leasing portfolio within Aseana City, in connection with the interagency agreement we signed with WHI and a Memorandum of Agreement we executed in 2021, a 25- year lease contract with Landers Superstore covering an area of 15,064 sq.m. was signed.

In September 2022, a 50 years land lease with St. Lukes Medical Center was signed. The lease is for an area of 13,896 sq.m. St. Luke’s Medical Center, Inc. is recognized as the leading and most respected healthcare institution of the Philippines, this will be its third health care facility, its other two facilities are in Quezon City and Taguig City. Subsequently in 2023, there was a lease expansion at St. Lukes, resulting in an additional 5,053 sq.m. bringing the total leased area to 18,949 sq.m..

In 2025, we have renewed certain land lease contracts. In the typical terms of our land leases include provision for specified yearly escalation rates generally ranging from 5% to 10% and, in some cases, provide for additional or variable rent based upon the tenant’s revenues. The table below and in succeeding page sets forth certain basic information on our top six land lessees, in terms of revenue contribution, as of December 31, 2025.

Lessee	Term	Usage of Land	Total Land Area (sq.m.)	Economic Interest <sup>(1)</sup>	Commencement of Revenue Recognition	% of Total Land Rental Revenues for the year ended December 31, 2025
Ayala Land, Inc.	45 years (option to extend for 45 years)	Mixed-use mall and hotel development	92,317.0	100%	September 2014	54.44%
Ayala Land, Inc.	co-terminus with above	Mixed-use mall and hotel development	9,980.5	100%	January 2017	See consolidated percentage above
St. Lukes Medical Center, Inc.	50 years (option to extend for 10 years)	Healthcare Institution	18,949.0	100%	September 2022	11.22%
Prestige Bay Realty Development Corp.	15 years	Mixed-use	6,967.0	60%	March 2018	5.09%
Kareila Management Corp.	10 years	Restaurants	10,000.0	100%	January 1, 2023	4.84%
Shell Pilipinas Corporation (South)	8 Years	Property Management	3,000.0	100%	August 1, 2023	2.48%

Rental revenues from a single lessee account for 19.24%, 20.01%, and 17.91% of the consolidated total revenues in 2025, 2024 and 2023, respectively.

### *Leased Properties*

Our commercial lease agreements are generally for a term of five to 10 years with an option to extend upon giving six months' notice prior to expiry, depending on the business of the relevant tenant. The tenant is required to pay us (i) an advance prepayment of the first or last three months' rent (six months for certain tenants) upon signing of the lease, and (ii) a security deposit amounting to three months' rent (six months for certain tenants), subject to top-up increases by the tenant based on the escalated monthly rent rates for subsequent years. We generally offer a rent-free period of one month for every full floor of 1,000 sq.m. to 1,500 sq.m. leased. Our lease rates are based on our market studies of the property landscape and rental prices in Aseana City and surrounding areas, and we specify a standard annual fixed rental escalation rate typically ranging from 3% to 10%, which we believe is in line with industry standards. For retail space leases, other than a fixed monthly rental rate, we may ask for additional variable percentage payments such as an additional monthly payment amounting to a certain percentage of the tenant's monthly gross product sales or choose to be paid the higher of either the fixed monthly rental or the variable percentage payment.

In 2025, traditional corporate offices, government agencies, global logistics occupiers, international retail and F&B brands, as well as homegrown concepts chose to locate in Aseana City, drawn by the district's connectivity, amenities, and the holistic live-work-play environment we have cultivated. This robust tenant demand pushed our office occupancy rate to 78%. In turn, commercial building and ancillary rental revenues rose to ₱2.0 billion reflecting stable occupancy across DMW's portfolio.

### **Transactions with related parties**

As of December 31, 2025, the Company is 79.96% owned by WHI.

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions")

### **Government approvals/regulations**

The Company secures various permits, licenses, certificates and other government approvals such as the environmental compliance certificate, development permits, license to sell, etc. as part of the normal course of its business. We also obtain and maintain various licenses in relation to our construction activities, which include among others, our contractor's license from the Philippine Contractors Accreditation Board (PCAB).

### **OUR EMPLOYEES**

As of December 31, 2025, we employed a total of 204 permanent staff, of which approximately 44% are construction and operation staff. Permanent staff also includes executive and management staff, finance and accounting staff, and administrative staff. We also hire temporary staff, including staff on short-term contracts and staff paid on a part-time or hourly rated basis, particularly at the construction sites.

The following table sets forth our employees by function as of December 31, 2025

<b>Function</b>	<b>Number of Employees</b>
Executives and Management	22
Construction and Operation	90
Finance and Accounting	32
Administration	60
<b>Total</b>	<b>204</b>

As of December 31, 2025, none of our employees belonged to any union nor were they parties to any collective bargaining agreements. As of the date of this report, we have not experienced any strikes or other disruptions due to labor disputes. We have consistently benefited from low staff turnover rates and strong management-employee relations.

#### *Staff recruitment and training*

We recognize the importance of having a strong team of management and technical personnel to meet our growth plans. Accordingly, we place great emphasis on staff recruitment, training and development. Our hiring process involves a series of tests whereby applicants are screened on the following criteria: (i) educational qualifications; (ii) skills and talents; (iii) relevant work experience; and (iv) potential qualities.

Our introductory orientation program offers all new employees basic training on company policies, rules and regulations, quality management and safety guidelines. In particular, our Human Resources Department prepares the Employees Skills Inventory Manual, which is used to monitor the performance of employees and summarizes their expected competencies. The Employees Skills Inventory Manual and Performance Appraisal comprise the basis for the Annual Training Plan, which maps out our overall training guidelines. Select employees undergo further training in their respective disciplines based on their scope of work. Refresher courses, including updates, are provided to employees on a regular basis thereafter.

We are committed to providing high quality service and instill this ethic in our employees through comprehensive quality management training. The basis for our quality management standards is set out in our Quality System Manual (“QSM”) and the various manuals comprising the Quality System Documentation Structure (“QSDS”). These manuals serve as a reference for assessment of current practices and proposed improvement, and therefore assist us to maintain unified documented practices across all departments. The QSM covers the following areas in quality control: (i) control of documents; (ii) control of records; (iii) control of nonconforming products or services; (iv) internal quality audit; (v) corrective action; and (vi) preventive action. All employees have access to the QSM and QSDS and are required to attend training sessions on quality management and follow-up briefings. We also conduct periodic quality reviews to monitor and assess the implementation of our quality standards.

## **RISKS**

### ***Our business is largely affected by the general level of activity and growth in Aseana City.***

We mainly operate in Aseana City and as a result, the continuous growth and development of Aseana City and the surrounding areas are paramount to our business and future prospects. The development of Aseana City is implemented in accordance with a master plan that is estimated to require upward of 15 years to complete. We have significant influence over the master planning of the area, and thus the continuing development of Aseana City, but we cannot assure you that the

master plan will be effectively carried out as contemplated, or that the vision of Aseana City as the next major mixed use central business district within Metro Manila will eventually be realized. Completion of the ongoing public transport infrastructure projects expected to benefit the development of Aseana City may be substantially delayed, or future planned infrastructure projects may be postponed indefinitely or cancelled. There is no assurance that the drivers expected to facilitate Aseana City's development and also underlie our business strategies may eventually materialize, such as the continuous growth of the BPO sector that is expected to increase the demand for commercial space and the success of the tourism and recreational-related developments that is expected to increase the value of, and demand for, residential and commercial space within Aseana City. Many other factors can also affect the development of Aseana City, including the state of the national and regional economies in the Philippines, changes in Government policies leading to changes in market conditions, and political and social developments that may translate into project execution difficulties.

To help manage these risks, we have diversified our earnings base to include rental income from our investment properties, and revenue from sales of condominium units, sales and leasing of land, and construction contracts. In keeping with our general strategies, we started pursuing strategic and opportunistic acquisitions of land and other properties outside Aseana City. Nevertheless, in the event Aseana City does not develop as we plan and envision, there could be a material and adverse effect on our business and prospects.

***Our title to our land holdings may be subject to various lawsuits, challenges and claims.***

Our existing land holdings in Aseana City, which were obtained pursuant to the agreements described below, are entirely located on reclaimed foreshore land, otherwise known as the CBP-BC development. The total book value of such land holdings, including the buildings and improvements constructed on such land, amounted to P34,075.4 million as of December 31, 2025, and comprised approximately 62% of our total consolidated assets as of the same date.

Although we hold registered titles to our land holdings, Philippine law provides that issuance of titles does not create or vest title, but only constitutes evidence of ownership over such properties. Thus, our ownership, registration, and possession of titles and actual possession of our land holdings do not foreclose the possibility that the Government or third parties may at any time, file lawsuits to challenge our rights to our land holdings. Notwithstanding the foregoing, we are not aware of the validity of our titles being questioned, impugned, challenged or invalidated by the Government or any other third party since the time we acquired ownership over our land holdings in Aseana City and up to the date of this Prospectus. We are not aware of any proceedings, contentions, claims or disputes questioning our titles which had arisen in over 20 years since such titles were registered in our name. Nevertheless, there may still be a possibility that the Government would file a lawsuit to question our titles and right to our land holdings in the future, because as a general rule, the right of the Government to seek the reversion of a property to the State is imprescriptible.

Despite our registered titles to our land holdings, it remains possible that a party with no direct interest in the land may elect to challenge our titles, as was permitted in the case *Chavez v. Public Estates Authority* ("PEA") and *Amari Coastal Bay Development Corporation* ("Amari") (G.R. No. 133250, July 9, 2002, reconsideration denied on May 6, 2003 and November 11, 2003), or the PEA Amari Decision. In the PEA Amari Decision, PEA entered into a joint venture agreement with Amari to develop three reclaimed islands known as the "Freedom Islands". The petitioner in that case filed a petition before the Supreme Court to question the sale of portions of the Freedom Islands to Amari alleging that such sale violated Section 3, Article XII of the Constitution, which prohibits the Government from alienating lands of public domain to private corporations. The

Supreme Court ruled in that case that ownership over reclaimed foreshore lands under an amended joint venture agreement between PEA and Amari could not be transferred from PEA to Amari because: (1) reclaimed lands, being lands of the public domain, cannot be disposed of by the State to any private person until such reclaimed lands are (a) reclassified as disposable or alienable, and (b) declared to be no longer needed for public purpose, by law or presidential proclamation; (2) alienable public lands cannot be disposed of by the State to private persons by sale or lease without public bidding; and (3) alienable lands of the public domain cannot be disposed of to private corporations, except by lease, in accordance with the constitutional ban on private corporations acquiring lands of the public domain. The Supreme Court further ruled that the amended joint venture agreement between PEA and Amari violated Section 3, Article XII of the Constitution, declared the same as null and void *ab initio* and enjoined PEA and Amari from implementing the said agreement.

However, in the case of *Chavez v. National Housing Authority* (“NHA”) and *R-II Builders, Inc.* (the “NHA Decision”) (G.R. No. 164527, August 15, 2007), the Supreme Court clarified that in certain cases, the transfer of land, although illegal or unconstitutional, will not be invalidated on considerations of equity and social justice. In the NHA Decision, NHA and R-II Builders Inc. entered into a joint venture agreement for the development of the Smokey Mountain dumpsite and the reclamation of the 40 hectares of the Manila Bay Area situated across Radial Road 10. Similar to the Amari case, the amended joint venture agreement between NHA and R-II Builders, Inc. was questioned based on Section 3, Article XII of the Constitution, among other grounds. However, unlike in the Amari case where the Supreme Court held that the subject reclaimed lands remained to be lands of the public domain which cannot be held by private corporations except by lease, the Supreme Court held in the NHA Decision that, by virtue of the transfer of the subject reclaimed lands to NHA, said lands were automatically classified as lands of the private domain or patrimonial properties of the State which can be sold or transferred to qualified private corporations (i.e., private corporations which are at least 60% owned by Filipinos). In the NHA Decision, the Supreme Court also upheld the validity of the joint venture agreement and emphasized that the concurrent acts of the executive department, including the issuance of several presidential proclamations and special patents therefore (which acts were found to be legal, valid and binding by the court), had vested rights in favor of slum dwellers, the buyers of reclaimed land who were issued titles over said land, and the agencies and investors who made investments in the project. The Supreme Court also held that the ruling in the Amari case cannot be retroactively applied since it may prejudice vested rights.

The Office of the Government Corporate Counsel (“OGCC”), through Opinion No. 244, Series of 2007 dated November 13, 2007, confirmed the position of PRA that the jurisprudence found in the NHA Decision is applicable to our titles to our land holdings in Aseana City, insofar as the titles have already been registered in the name of purchasers in good faith and for value, and such registration were completed prior to the PEA Amari Decision. This OGCC Opinion, however, is on the premise that the private parties to whom the land were ultimately conveyed are qualified to own the same under the Constitution and existing laws and jurisprudence.

While the PRA and OGCC are of the opinion that our titles can no longer be invalidated, there is no assurance that the Government or third parties will not challenge our rights to such reclaimed lands. Although PEA, as stated in the PEA Board Resolution No. 3448 Series of 2004 and its letter dated July 15, 2004 to us, has committed to use its best efforts to defend our titles in Aseana City, or to assist us in our defense thereof, should any claim or lawsuit to question our titles be filed against us in the future, there can be no assurance that such defense will be successful. If any such lawsuit against us is successful and our titles are invalidated by the Philippine courts, we may be subject to reversion proceedings and ordered to transfer our titles to our land holdings in Aseana City to the Government.

It is also stated in the said PEA Board Resolution and letter that, “if in any case and at any instance in the future, the Supreme Court of the Philippines shall declare that the said conveyance is unconstitutional or illegal, PEA hereby commits to reimburse your company and/or assignees the fair market value of your reclaimed land and investments including the improvements that may have been made thereon.” There is a possibility that we may be entitled to compensation on a *quantum meruit* basis only, if the ruling by the Supreme Court in the PEA Amari Decision (in particular, the May 6, 2003 decision denying the Motion for Reconsideration) is determined by the court to be applicable to our instance. In the PEA Amari Decision, the Supreme Court stated that despite the nullity of the amended joint venture agreement between PEA and Amari, Amari was not precluded from recovering from PEA in the proper proceedings, on a *quantum meruit* basis, whatever Amari might have incurred in implementing the said joint venture agreement prior to its declaration of nullity.

***We are exposed to risks inherent in the Philippine property market (and especially Metro Manila) as all of our properties are situated in the Philippines.***

We are highly dependent on the performance of the Philippine property market since all of our properties are located in the Philippines. Thus, we are directly affected by the risks that affect the Philippine property market as a whole. Many factors contribute to fluctuations in the Philippine property market including the general demand and supply of properties, increases and decreases in interest rates, inflationary pressures, Government-related real estate policies such as the recent lower loan-to-value ratios for commercial real estate loans and the BSP’s tightening of policies related to real estate loans. Any decline in the value of land or real estate in the Philippines may lead to a downward revaluation of our land holdings and other real estate assets, and a decrease in our rental rates.

***Our margins may be affected by increases in our operating and other expenses.***

Our operations may be subject to increases in operating and other expenses due to a number of factors including, but not limited to, any of the following:

- increases in raw material prices;
- increases in labor costs;
- increases in construction costs;
- increases in the rate of inflation;
- changes in laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increases in insurance premiums;
- increases in customs duties, business taxes, property taxes and other statutory changes;
- adverse changes in the cost of existing and future debt financing; and
- other unanticipated circumstances or cost increases.

## Item 2. Properties

As of the date of this report, we own an aggregate land area of approximately 832,736 sq.m., comprising 623,537 sq.m. in terms of our land holdings in Aseana City and 209,199 sq.m. for land holdings outside Aseana City. In addition, we own twelve commercial buildings with an aggregate floor area of 235,846 sq.m as of December 31, 2025.

### *Owned real properties*

The parcels of land that we own constitute raw land that forms our land holdings and include areas that are subject to existing land leases, or which have been utilized by our Group for development of real estate projects. The buildings that we own are either occupied by our Group as our offices or leased to third parties pursuant to lease agreements.

As of December 31, 2025, certain parcels of our land are used as collateral in connection with our bank loans and borrowings as shown below.

<b>Mortgaged Land Area (sq.m.)</b>	<b>Creditor</b>	<b>Nature of Loan</b>
2,608.0	Bank of the Philippine Islands	Long-term loan, medium term loan and revolving promissory note line granted to our Company
30,212.0	Bank of the Philippine Islands	Long-term loan, medium term loan and revolving promissory note line granted to our Company
7,720.0	BDO Unibank, Inc.	Credit line and domestic bills purchase line granted to our Company
7,897.0	Security Bank Corporation	Term loan and domestic bills purchase line granted to our subsidiary, Aseana Holdings, Inc. and Aseana Residential Holdings Corp.

Aseana One is used as collateral for the Group's loan facility line with Security Bank Corporation up the extent of P512.7M as of December 31, 2025.

The table below sets forth certain basic information on our owned buildings as of the date of this report.

<b>Location / Building</b>	<b>Total Floor Area (sq.m.)</b>	<b>Usage</b>
Aseana One	20,189	Mixed use office building
Aseana Two	14,288	Mixed use office building
Aseana Three	30,914	Mixed use office building
Aseana Square	2,137	Commercial and retail complex
Aseana Powerstation Building	4,710	Commercial and retail complex

<b>Location / Building</b>	<b>Total Floor Area (sq.m.)</b>	<b>Usage</b>
Aseana Town Center	11,946	Commercial and retail complex
DMWAI Building	1,042	Office with ground floor retail
S&R Building (2 <sup>nd</sup> Floor)	3,785	Mixed use office building
8912 Asean Ave	69,284	Mixed use office building
Erlag Building	1,701	Mixed use
58 Jupiter	2,355	Mixed use
Parqal	73,494	Commercial and Retail, Mixed Use
<b>Total</b>	<b>235,846</b>	

As of December 31, 2025, except as disclosed above, there were no mortgages, liens or other encumbrances attached to such owned properties or any limitations on our ownership or usage of such properties, other than liens created by operation of law, voluntary development restrictions imposed upon all tenants in Aseana City due to their acceptance of membership in ABPEA.

### ***Owned personal properties***

As of December 31, 2025, we owned certain personal property comprising machinery and equipment as described below.

	<u>Value (in ₱ millions)</u>
Machinery and construction equipment.....	15.2
Transportation equipment.....	15.2
Furniture and office equipment.....	65.4
Other machinery and equipment.....	2.4
<b>Total.....</b>	<b>98.1</b>

### **Completed and Ongoing Projects**

On November 5, 2020 and November 11, 2021, the Company's BOD approved the reallocation of P1,000.0 million of the Offering Proceeds originally intended for the purchase of land assets to pipeline project developments. Further, on August 10, 2023, the Company's BOD approved another P453.8 million reallocation of Offering Proceeds originally intended for the purchase of land assets to and infrastructure development with Aseana City to pipeline project developments.

As a result of the abovementioned reallocations, the revised allocation of proceeds for the Company's pipeline projects amounted to P6,185.0 million as of December 31, 2023.

There were also certain reallocations made within the pipeline project development; however, these did not result in a change on the planned use of proceeds with respect to the total allocation

for the pipeline project development as disclosed in the Offering Prospectus and its subsequent reallocation as discussed above.

### ***8912 Asean Ave.***

8912 Asean Ave. is a 15-storey office building with total gross leasable area of approximately 68,000 sq.m.

The project stretches 120 meters along Aseana Avenue with convenient access to retail options at the Ayala Malls Manila Bay Area, connected through an elevated walkway. Commercial retail spaces are located on the first level while offices are located on the fifth floor and above.

P2,434.5 million from the Offering Proceeds were allocated for this purpose and were fully released as at December 31, 2023. Disbursements related to this purpose amounted to P22.6 million for the year ended December 31, 2023.

### ***MidPark Towers***

Comprises of four 15-story buildings on top of a common podium that offers various sizes ranging from 36 sq.m. for a studio unit to 108 sq.m. for a three-bedroom unit.

Centrally located in Aseana City, Midpark Towers is bordered by two main avenues – Aseana Avenue and Macapagal Boulevard. The property is within walking distance from Ayala Malls Bay Area and the Light Rail Transit Redemptorist- Aseana Station.

MidPark Towers is situated within two to five kilometers from all terminals of Ninoy Aquino International Airport and the recently inaugurated Paranaque Integrated Terminal Exchange (formerly known as Southwest Integrated Bus Terminal Exchange (formerly known as Southwest Integrated Bus Terminal Exchange) inaugurated in 2018.

P671.1 million from the Offering Proceeds were allocated to fund the general construction, architectural design and pile driving works of the project, and were fully released as of December 31, 2023. Disbursements related to this project amounted to P131.2 million for the year ended December 31, 2023.

### ***Parqal***

Parqal with approximately 70,000 sq.m. leasable floor area is a mixed-use project with office and retail spaces that stretches from Diokno Ave. to Macapagal Ave.

The project features a climate protected and walkable mixed-use development with a 50% retail component. It is composed of nine independent 4-storey buildings. Around 60% of Parqal lot area is dedicated to lush green landscapes and recreational facilities.

P2,679.8 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2023. Disbursements related to this project amounted to P300.0 million for the year ended December 31, 2023.

### ***Aseana Plaza***

Aseana Plaza is a four-tower office complex set to deliver over 230,000 square meters of construction floor area in two phases beginning 2025. As our largest office development to date, it will introduce the next generation of sustainable, tech-enabled workspaces in the district.

The project occupies a prime site adjacent to Parqal and 8912 Asean Ave., creating synergies with existing offices and amenities. Targeting a diversified tenant mix – from BPO firms and traditional corporate headquarters to global logistics and government institutions – Aseana Plaza is designed to meet robust demand across growth industries. In line with our placemaking and mobility focus, the towers will be linked into Aseana City’s elevated skywalk network, allowing pedestrians to move seamlessly through climate-protected walkways.

Once operational, Aseana Plaza will substantially expand our leasing portfolio, supporting higher recurring rental income and strengthening the commercial core of Aseana City..

P113.3 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2023. There were no disbursements related to this project for the year ended December 31, 2023.

In 2025, we broke ground on the first Phase of Aseana Plaza, a landmark office development in Aseana City marking a major milestone in the development of what will be our largest commercial project to date.

### ***Pixel Residences***

Pixel Residences is the first mixed-use residential development of the company conceptualized to meet the demand for quality, generous living spaces and a private space at a prime location. Starting the last quarter of 2019, the company started the turnover units for this project.

P286.3 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2023. There were no disbursements related to this project for the year ended December 31, 2023.

### ***One Parq Suites***

One Parq Suites is our third residential condominium project in Aseana City, contributing approximately 30,000 square meters of saleable area to our portfolio. Planned for launch in the near term, this development is strategically located near the Redemptorist–Aseana Station of LRT-1, making it a transit-oriented residence with unparalleled connectivity.

One Parq Suites will rise near the Parqal mixed-use complex, allowing future residents to benefit from immediate access to offices, retail promenades, parks, and dining options within walking distance. By design, this project will complement Aseana City’s integrated retail-office-residential ecosystem – adding a critical residential component that will increase foot traffic for commercial establishments on weekdays and enliven the community during off-hours.

The introduction of One Parq Suites not only diversifies our asset base (with a balance of recurring lease assets and for-sale units) but also reinforces our placemaking mission by nurturing a vibrant, 24/7 neighborhood where people can live, work, and play with ease.

***Modaio***

Modaio is an upcoming 200-unit co-living development that will broaden Aseana City's residential offerings through an innovative, affordable living format. Comprising a mix of four-bed and two-bed shared units, Modaio is a flexible living concept aimed at young professionals and essential workers. By providing high-quality yet attainable accommodations within our high-value district, this project will enable more talent to live near their workplaces and enjoy Aseana's amenities.

Modaio is expected to enhance the estate's inclusivity and round-the-clock vibrancy – fostering a sense of community among its residents and supporting the needs of BPO employees, startup teams, and other transient urban professionals.

Modaio expands our recurring income portfolio through a new residential leasing segment, and it supports our commercial tenants by addressing workforce housing needs. In essence, the addition of co-living units strengthens the live-work synergy at Aseana City, further differentiating our estate as a holistic, accessible environment for a diverse range of occupants.

**Item 3. Legal Proceedings**

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.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### Market Information

The Company's shares of stock are officially listed in the Philippine Stock Exchange on June 29, 2018.

As of December 31, 2025, the closing price of the Company's shares of stock is P5.00/share.

	2025			2024			2023		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
First Quarter	5.49	4.85	5.10	6.05	5.16	5.79	6.96	6.71	6.80
Second Quarter	5.25	4.68	5.20	5.76	4.90	5.50	6.84	6.40	6.45
Third Quarter	5.35	5.08	5.35	5.80	5.20	5.68	6.48	6.01	6.34
Fourth Quarter	5.35	4.84	5.00	5.70	5.00	5.52	6.40	5.16	5.16

#### Shareholders

There are 31 registered holders of common shares of the Company as of December 31, 2025.

The following are the registered holders of the common equity securities of the Company:

	<b>Stockholder Name</b>	<b>No. of Shares</b>	<b>% to Total Shares</b>
1	Wendel Holdings Co. Inc.	2,136,554,779	62.92%
2	PCD Nominee Corp. (Filipino)	546,016,979	16.08%
3	Wendel Holdings Co. Inc.	578,798,847	17.04%
4	SM Investments Corporation	79,167,800	2.33%
5	High-Viewpoint Minds, Inc.	19,850,399	0.58%
6	Intelli Searchrev Corporation	11,788,400	0.35%
7	Raydine Incorporated	8,000,000	0.24%
8	PCD Nominee Corp. (Non- Filipino)	10,657,386	0.31%
9	Sysmart Corporation	2,846,500	0.08%
10	Intelli Searchrev Corporation	1,152,600	0.03%
11	Serafin U. Salvador, Jr.	240,000	0.007%
12	Sybase Equity Investment Corporation	192,300	0.006%
13	Serafin U. Salvador, Jr.	166,700	0.005%
14	Ariane Dominique Marie M. Moreno	142,300	0.004%
15	Sybase Equity Investment Corporation	129,400	0.004%
16	Regina Capital Dev. Corp.	68,000	0.001%
17	Serafin U. Salvador	50,000	0.001%
18	Ariane Dominique Marie M. Moreno	27,000	0.0008%
19	Joselito C. Herrera	5,000	0.0001%
20	Ma. Christmas R. Nolasco	3,000	0.00009%
21	Jaybee C. Baraquel	1,000	0.00003%
22	Jesus San Luis Valencia	1,000	0.00003%
23	Leovillo Dela Cruz Agustin	1,000	0.00003%
24	Gabrielle Claudia F. Herrera	500	0.00002%
25	Nadezhda Iskra F. Herrera	500	0.00002%

	<b>Stockholder Name</b>	<b>No. of Shares</b>	<b>% to Total Shares</b>
26	Milagros P. Villanueva	500	0.00002%
27	Myra P. Villanueva	500	0.00002%
28	Myrna P. Villanueva	500	0.00002%
29	Marietta V. Cabreza	500	0.00002%
30	Juan Carlo V. Cabreza	500	0.00002%
31	Alberto Victor P. Fenix Jr.	100	0.00000%
32	Oscar Sison Reyes	100	0.00000%
33	Gerardo Salgado	8	0.00000%
34	Botschaft N. Cheng or Sevilla Ngo	1	0.00000%
35	Enriqueto Leonardo M. Soriano	1	0.00000%

### **Dividends**

<b>Class</b>	<b>Declaration Date</b>	<b>Amount</b>	<b>Record Date</b>	<b>Payment date</b>
Common shares	March 15, 2023	254,600,089	March 30, 2023	April 5, 2023
Common shares	March 18, 2024	268,176,533	April 12, 2024	April 25, 2024
Common shares	March 13, 2025	322,607,090	April 11, 2025	April 29, 2025

## Item 6. Management's Discussion and Analysis or Plan of Operation

2025DMW's FY2025 Core Net Income Grows to P1.9 Billion.

## Financial and Operational Highlights

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

## Twelve months ended December 31

(AUDITED)

	2025	% to Revenues	2024	% to Revenues	% Change
<b>Profit &amp; Loss Data</b>					
Revenues	3,816	100%	3,696	100%	3%
Cost of services and sales	824	22%	781	21%	6%
Gross profit	2,992	78%	2,915	79%	3%
Other operating expenses - net	582	15%	268	7%	(117%)
Other income (expenses)	35	0%	20	1%	75%
Net income attributable to owners of the Parent company	1,864	49%	2,080	57%	(10%)
Core Net Income	1,864	49%	1,845	50%	1%
	Dec 31 2025	% to Total Assets	Dec 31 2024	% to Total Assets	% Change

**Balance Sheet Data**

Total Assets	55,073	100%	53,741	100%	2%
Total Liabilities	13,086	24%	13,359	25%	(2%)
Total Equity attributable to owners of the Parent company	35,778	65%	34,234	64%	5%

## As of the period ended

Other Key Financial Ratios	December 31, 2025	December 31, 2024
Current Ratio	3.2	3.2
Debt to Equity	8%	7%
Return on Equity	5%	5%
Net income contribution	50.5%	56.7%
Recurring Income Contribution	86.2%	89.3%

## As for the period ended

Key Operating Data	December 31, 2025	December 31, 2024
Total leased land area (sq.m.)	180,731	183,818
Total leasable floor area (sq.m.)	235,846	235,846
Total occupancy rate (leased buildings) (%)	72%	78%

## ***Revenue***

Total consolidated revenue increased by 3.2% from P3,695.7 million in 2024 to P3,815.8 million in 2025, primarily due to the following:

### ***Rentals***

Our total revenue from rentals decreased by P15.2 million or 0.5%, from P3,303.1 million in 2024 to P3,288.0 million in 2025.

- Rentals of Land. Rentals of land decreased by P27.3 million or 2.0%, from P1,351.7 million in 2024 to P1,324.4 million in 2025. The decrease is primarily attributable to the non-renewal of certain contracts during the year. Our total leased land as of December 31, 2025 is at 180,731 sq.m.
- Rentals of Building and Ancillary Rental Revenues. Rentals of building and ancillary rental revenues increased by P12.1 million or 0.6%, from P1,951.5 million in 2024 to P1,963.5 million in 2025. The increase reflects stable occupancy across DMW's portfolio.

### ***Construction Contracts***

Total construction revenue decreased by P5.4 million or 76.0%, from P7.1 million in 2024 to P1.7 million in 2025. The decrease is due to reduced construction activities rendered to external parties, as the Company focused on internal projects within Aseana City.

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

The revenue from sale of condominium units increased by P113.6 million or 29.5% from P385.5 million in 2024 to P499.0 million in 2025. The increase was driven by multiple accounts qualifying for revenue recognition during the year. As of December 31, 2025, Midpark project has a percentage of completion of 98.0%.

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

Our consolidated cost of services and sales increased by P42.8 million or 5.5%, from P781.0 million in 2024 to P823.8 million in 2025.

### ***Rentals***

Costs of rentals increased by P74.4 million or 11.2%, from P666.1 million in 2024 to P740.5 million in 2025. The increase reflects higher cost, particularly for rent, utilities, and building maintenance, including increased GPS rent expense at Parqal due to higher revenues generated from tenants.

***Construction Contracts***

Costs of construction contracts decreased by P2.9 million or 83.7%, from P3.5 million in 2024 to P0.5 million in 2025. The decrease is due to reduced construction activities rendered to external parties, as the Company focused on internal projects within Aseana City.

***Sale of Condominium Units***

Cost of sale of condominium units decreased by P28.7 million, or 25.8%, from P111.4 million in 2024 to P82.7 million in 2025. The decrease was attributable to the recognized construction savings from Midpark project as the project is nearing completion.

***Other Operating Expenses - net***

Other operating expenses - net increased by P314.6 million or 117.5%, from P267.8 million in 2024 to P582.5 million in 2025.

***Operating expenses & Selling Expenses***

Operating expenses and selling expenses increased by P9.2 million or 1.3%, from P729.2 million in 2024 to P738.4 million in 2025. The increase was attributable to the increase in repairs and maintenance cost as a result of full year effect of stable occupancy.

***Other Operating Income***

Other operating income decreased by P305.4 million or 66.2%, from P461.3 million in 2024 to P155.9 million in 2025. The decrease was attributable to the recognition of a gain in 2024 from permanent improvements arising from lease expirations. No similar transaction was recorded in 2025.

***Other Income (net)***

Other income increased by 14.8 million or 75.2% from total net of other income of P19.7 million in 2024 to P34.5 million in 2025 primarily due to the following:

***Finance Cost***

Finance cost decreased by P26.1 million or 11.8%, from P221.0 million in 2024 to P194.8 million in 2025. The decrease was attributable to lower interest expense resulting from principal repayments made during the year, as well as the full settlement of a loan.

***Finance Income***

Finance income decreased by P9.9 million or 4.1%, from P239.3 million in 2024 to P229.4 million in 2025. The decrease is due to the decrease in interest income from PFRS15 adjustment.

***Net Profit***

Net profit attributable to parent decreased by P216.5 million or 10.4%, from P2,080.2 million in 2024 to P1,863.7 million in 2025, as discussed in details in the revenue and other income portions of the report.

***Core Net Income***

Net Income attributable to owners of the Parent company ex one off gain increased by P18.8 million or 1.0%, from P1,845.0 million in 2024 to P1,863.7 million in 2025 as discussed in details in the revenue, cost of services and sales, operating expenses and taxes portions at this report.

***Balance Sheet Accounts******Total Assets***

The Company's total assets increased by P1,332.5 million or 2.5%, from P53,741.0 million as of December 31, 2024 to P55,073.5 million as of December 31, 2025 due to the following:

- Receivables increased by P918.4 million or 10.4%, from P8,827.2 million to P9,715.2 million as of December 31, 2024 and 2025, respectively, as a result of the recognition of rental receivable based on PAS 17.
- Land and land development cost increased by P119.9 million or 1.0%, from P11,723.1 million to P11,843.0 million as of December 31, 2024 and 2025, respectively, primarily due to the developments in Aseana City during the year net of the reclassification of land related to the Modaiio Project to investment properties in the prior year.
- Other non current assets increased by P694.3 million or 241.0%, from P288.1 million to P982.4 million as of December 31, 2024 and 2025, respectively. The increase was primarily attributable to down payments made to subcontractors for the construction of Aseana Plaza, a new pipeline development within Aseana City.
- Other current asset decreased by P142.7 million, or 9.5%, as of December 31, 2024 and 2025, from P1,505.8 million to P 1,363.1 million, respectively, primarily due to decrease in input VAT from payment to supplier's and subcontractor's.

***Total Liabilities***

Total liabilities decreased by P272.6 million or 2.0%, from P13,359.2 million as of December 31, 2024 to P13,086.6 million as of December 31, 2025, respectively, due to the following:

- Trade and other payables decreased by P311.6 million or 10.4%, from P3,004.7 million to P2,693.1 million as of December 31, 2024 and 2025, respectively primarily due to the payment to suppliers and subcontractors.
- Loans and borrowings increased by P320.6 million or 11.2%, from P2,864.8 million to

P3,185.4 million as of December 31, 2024 and 2025, respectively, due to the additional loan obtained in relation to the construction of Aseana Plaza.

- Deposits and advances decreased by P199.0 million or 11.4%, from P1,740.2 million to P1,541.2 million as of December 31, 2024 and 2025, respectively, mainly due to the application advance rentals.
- Advances from and due to related parties decreased by 86.1 million or 2.4% from P3,607.8 million to P3,521.6 million as of December 31, 2024 and 2025, respectively, due to payment to the Ultimate Parent Company related to certain land acquired in prior years.

### **Total Equity**

Total equity attributable to holders of parent company increased by P1,543.7 million or 4.5%, from P34,233.9 million to P35,777.6 million as of December 31, 2024 and 2025, respectively, primarily due to the results of operation of P1,863.7 million for the year ended December 31, 2025, net of the Group's declaration and payment of 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 increased slightly to 3.25 from 3.24 as of December 31, 2025 and 2024, respectively, mainly due to increase in land and land development .

Debt to equity ratio increased to 8% for the period ended December 31, 2025 from 7% as of the same period in 2024, due to the additional loan obtained in relation to the construction of Aseana Plaza.

- Return on equity is at 5% both for the period ended December 31, 2025 and December 31, 2024.
- Net income margin decreased to 50.5% for the period ended December 31, 2025 from 56.7% as of the same period in 2024, primarily attributable to the recognition of a gain in 2024 from permanent improvements arising from lease expirations.
- Recurring income contribution decreased to 86.2% in 2025 from 89.3% in 2024 mainly due to the increase in revenue from sale of residential units.

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 balance sheet. The Company has no off-balance sheet transactions, arrangements, or obligations during the reporting year as of balance sheet date.

2024**DMW's Core Net Income Grows to P1.8 billion.**

Financial and Operational Highlights

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

**Twelve months ended December 31  
(AUDITED)**

	2024	% to Revenues	2023	% to Revenues	% Change
<b>Profit &amp; Loss Data</b>					
Revenues	3,696	100%	4,099	100%	(10%)
Cost of services and sales	781	21%	1,169	29%	(33%)
Gross profit	2,915	79%	2,930	71%	(1%)
Other operating expenses - net	268	7%	794	19%	(66%)
Other income (expenses)	20	1%	5,713	139%	(100%)
Net income attributable to owners of the Parent company	2,080	57%	7,301	178%	(72%)
Core Net Income	1,845	50%	1,676	41%	10%
	<b>Dec 31 2024</b>	<b>% to Total Assets</b>	<b>Dec 31 2023</b>	<b>% to Total Assets</b>	<b>% Change</b>

**Balance Sheet Data**

Total Assets	53,741	100%	52,351	100%	3%
Total Liabilities	13,359	24%	13,661	27%	(2%)
Total Equity attributable to owners of the Parent company	34,234	64%	32,585	62%	6%

**As of the period ended**

Other Key Financial Ratios	December 31, 2024	December 31, 2023
Current Ratio	3.2	3.04
Debt to Equity	8%	9%
Return on Equity	5%	23%
Net income contribution	56.7%	178.1%
Recurring Income Contribution	89.3%	63.1%

**As for the period ended**

Key Operating Data	December 31, 2024	December 31, 2023
Total leased land area (sq.m.)	183,818	186,246
Total leasable floor area (sq.m.)	235,846	235,846
Total occupancy rate (leased buildings) (%)	78%	59%

**Revenue**

Total consolidated revenue decreased by 9.8% from P4,099.0 million in 2023 to P3,695.7 million in 2024, primarily due to the following:

**Rentals**

Our total revenue from rentals increased by P714.8 million or 27.6%, from P2,588.3 million in 2023 to P3,303.1 million in 2024.

- **Rentals of Land.** Rentals of land increased by P70.7 million or 5.5%, from P1,281.0 million in 2023 to P1,351.7 million in 2024. The increase is primarily attributable to the consolidation of rental revenue from BRADCO operations.
- **Rentals of Building.** Rentals of building significantly increased by P440.0 million or 44.8%, from P982.7 million in 2023 to P1,422.7 million in 2024. The increase is mainly due to the increase in occupancy rates of 8912 and Parqal which were recently completed.

**Construction Contracts**

Total construction revenue decreased by P146.7 million or 95.4%, from P153.8 million in 2023 to P7.1 million in 2024. The decrease is due to decrease in construction activities rendered to external parties as the Company focuses on internal projects within Aseana City.

**Sale of Condominium Units**

The revenue from sale of condominium units decreased by P971.4 million or 71.6% from P1,356.9 million in 2023 to P385.5 million in 2024. The decrease is due to the decrease in incremental percentage of completion in 2024 compared to the incremental percentage of completion in 2023 as it nears completion. As of December 31, 2024, Midpark project has a percentage of completion of 90.0%. Also, lower number of units of midpark was qualified for revenue recognition as it reaches the revenue threshold.

**Cost of Services and Sales**

Our consolidated cost of services and sales decreased by P388.3 million or 33.2%, from P1,169.3 million in 2023 to P781.0 million in 2024.

**Rentals**

Costs of rentals increased by P179.0 million or 36.7%, from P487.1 million in 2023 to P666.1 million in 2024. The increase was primarily attributable to the full year recognition of depreciation expense for Parqal and increase in cost of utilities and building maintenance from increasing occupancy.

***Construction Contracts***

Costs of construction contracts decreased by P101.0 million or 96.7%, from P104.5 million in 2023 to P3.5 million in 2024. The decrease is due to decrease in construction activities rendered to external parties as the Company focuses on internal projects within Aseana City.

***Sale of Condominium Units***

Cost of sale of condominium units decreased by P466.3 million, or 80.7%, from P577.7 million in 2023 to P111.4 million in 2024. The decrease was due to the decrease in the number of units that are qualified for revenue recognition and the decrease in incremental percentage of completion in 2024 compared to the same period in 2023.

***Other Operating Expenses - net***

Other operating expenses - net decreased by P526.0 million or 66.3%, from P793.8 million in 2023 to P267.8 million in 2024.

***Operating expenses & Selling Expenses***

Operating expenses and selling expenses decreased by P183.6 million or 20.1%, from P912.8 million in 2023 to P729.2 million in 2024. The increase was attributable to the increase in repairs and maintenance as a result of the full year effect of stable occupancy..

***Other Operating Income***

Other operating income increased by P342.3 million or 287.7%, from P119.0 million in 2023 to P461.3 million in 2024. The increase was attributable to the recognition of gain from permanent improvements from lease expiration.

***Other Income (net)***

Other income decreased by P5,693.0 million or 99.7% from total net of other income of P5,712.9 million in 2023 to P20.0 million primarily due to the following:

***Gain on remeasurement of previously- held equity interest in a joint venture***

In 2023, the Group acquired additional common shares representing 1% of the total outstanding capital of BRADCO. As a result of the acquisition, the Group recognized gain on remeasurement of the Group's previously held equity interest in BRADCO amounting to P 5,623.6 million. There were no similar transaction in 2024.

***Finance Income***

Finance income increased by P94.3 million or 65.0%, from P145.1 million in 2023 to P240.0 million in 2024. The increase is due to the increase in interest income from time deposits with higher effective interest rates and increase in interest income from PFRS15 adjustment as an effect of the catch up of the POC from the % of collection.

### ***Net Profit***

Net profit attributable to parent significantly decreased by P5,220.8 million or 71.5%, from P7,301.0 million in 2023 to P2,080.2 million in 2024, as discussed in details in the revenue and other income portions of the report.

### ***Core Net Income***

Net Income attributable to owners of the Parent company ex one off gain increased by P168.8 million or 10.1%, from P1,676.1 million in 2023 to P1,845.0 million in 2024 as discussed in details in the revenue, cost of services and sales, operating expenses and taxes portions at this report.

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

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

The Company's total assets increased by P1,390.0 million or 2.7%, from P52,351.1 million as of December 31, 2023 to P53,741.0 million as of December 31, 2024 due to the following:

- Receivables increased by P1,114.9 million or 14.5%, from P7,712.4 million to P8,827.2 million as of December 31, 2023 and 2024, respectively, as a result of the recognition of rental receivable based on PAS 17.
- Investment property increased by P774.9 million or 3.6%, from P21,341.1 million to P22,116.0 million as of December 31, 2023 and 2024, respectively, due to the cost incurred for the construction of Parqal. Also attributable to the recognition of investment property from permanent improvements upon lease expiration.
- Property development cost increased by P150.4 million, or 6.2%, as of December 31, 2023 and 2024, from P2,417.3 million to P2,567.7 million, respectively. The increase is due to the cost incurred for the construction of Midpark.
- Other current asset decreased by P316.5 million, or 17%, as of December 31, 2023 and 2024, from P1,822.3 million to P 1,505.8 million, respectively, primarily due to decrease in input VAT from payment to supplier's and subcontractor's.

#### **Total Liabilities**

Total liabilities decreased by P301.7 million or 2.2%, from P13,661.0 million as of December 31, 2023 to P13,359.2 million as of December 31, 2024, respectively, due to the following:

- Trade and other payables decreased by P160.8 million or 5.1%, from P3,165.6 million to P3,004.7 million as of December 31, 2023 and 2024, respectively primarily due to the payment of output VAT.
- Contract liability decreased by P79.4 million or 42.4%, from P187.3 million to P108.0 million as of December 31, 2023 and 2024, respectively, since the percentage of completion rate has caught up against the advance payments of the buyers that reached

the 20% threshold

- Advances from and due to related parties decreased by 296.5 million or 7.6% from P3,904.3 million to P3,607.8 million as of December 31, 2023 and 2024, respectively, due to payment to the Ultimate Parent Company related to certain land acquired in prior years.
- Loans and borrowings decreased by P200.0 million or 6.5%, from P3,064.8 million to P2,864.8 million as of December 31, 2023 and 2024, respectively, due to principal payment of maturing loans.
- Deposits and advances increased by P364.5 million or 26.5%, from P1,375.7 million to P1,740.2 million as of December 31, 2023 and 2024, respectively, mainly due to the collection of advance rentals and reservation deposits from new tenants.

### **Total Equity**

Total equity attributable to holders of parent company increased by P1,648.7 million or 5.1%, from P32,585.1 million to P34,233.9 million as of December 31, 2023 and 2024, respectively, primarily due to the results of operation of P2,080.2 million for the year ended December 31, 2024, net of the Group's declaration and payment of dividends of P268.2 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 increased to 3.24 from 3.04 as of December 31, 2024 and 2023, respectively, mainly due to higher property development costs and reduced current liabilities after payments to the Ultimate Parent Company for land acquired in prior years.
- Debt to equity ratio decrease to 8% from 9% as of December 31, 2024 and 2023, respectively, mainly due to principal payments during the period.
- Return on equity decreased to 5% from 23% for the period ended December 31, 2024 and 2023, mainly due to the remeasurement gain recognized on previous year.
- Net income margin decreased to 56.7% for the period ended December 31, 2024 from 178% as of the same period in 2023, primarily attributable to the remeasurement gain recognized on previous year.
- Recurring income contribution increased to 89.3% in 2024 from 63.1% in 2023 mainly due to the increase in revenue from rental due to increase in occupancy rates of commercial buildings.

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 balance sheet. The Company has no off-balance sheet transactions, arrangements, or obligations during the reporting year as of balance sheet date.

## 2023

### DMW's Net Income Grows to P7.3 billion.

#### Financial and Operational Highlights

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

	Twelve months ended December 31 (AUDITED)				
	2023	% to Revenues	2022	% to Revenues	% Change
<b>Profit &amp; Loss Data</b>					
Revenues	4,099	100%	4,220	100%	(3%)
Cost of services and sales	1,169	29%	975	23%	20%
Gross profit	2,930	71%	3,245	77%	(10%)
Other operating expenses - net	794	19%	518	12%	(53%)
Other income (expenses)	5,713	139%	5	0%	1,142%
Net income attributable to owners of the Parent company	7,301	178%	2,122	50%	244%
Net Income attributable to owners of the Parent company ex one off gain	1,676	41%	1,523	36%	10%
	Dec 31 2023	% to Total Assets	Dec 31 2022	% to Total Assets	% Change

#### Balance Sheet Data

Total Assets	53,268	100%	38,645	100%	38%
Total Liabilities	14,578	27%	12,471	32%	17%
Total Equity attributable to owners of the Parent company	32,585	61%	25,552	66%	28%

Other Key Financial Ratios	As of the period ended	
	December 31, 2023	December 31, 2022
Current Ratio	2.8%	1.63
Debt to Equity	8%	12%
Return on Equity	25%	9%
Net income contribution	178.1%	50%
Recurring Income Contribution	63.1%	52%

Key Operating Data	As for the period ended	
	December 31, 2023	December 31, 2022
Total leased land area (sq.m.)	186,246	166,015
Total leasable floor area (sq.m.)	235,846	162,351
Total occupancy rate (leased buildings) (%)	59%	51%
<i>Revenue</i>		

Total consolidated revenue decreased by 2.9% from to P4,220.3 million in 2022 to P4,099.0 million in 2023, primarily due to the following:

### ***Rentals***

Our total revenue from rentals increased by P414.4 million or 19.1%, from P2,173.9 million in 2022 to P2,588.3 million in 2023.

- **Rentals of Land.** Rentals of land significantly increased by P270.6 million or 26.8%, from P1,010.4 million in 2022 to P1,281.0 million in 2023. The increase is primarily attributable to the full year recognition of rental income and leased area expansion coming from St. Lukes Medical Center. Also, attributable to the new tenants and renewals during the year.
- **Rentals of Building.** Rentals of building increased by P174.7 million or 21.6%, from P808.0 million in 2022 to P982.7 million in 2023. The increase is mainly due to the new tenants of the company.

### ***Land Sales***

The parent company sold certain parcel of land amounting to P787.6 million in January 2022 with land area of 1,790 sq.m. No sale was recorded for the same period in 2023.

### ***Construction Contracts***

Total construction revenue increased by P145.8 million or 1822.5%, from P8.0 million in 2022 to P153.8 million in 2023. The increase is primarily due to construction activities rendered to external parties.

### ***Sale of Condominium Units***

The revenue from sale of condominium units increased by P106.2 million or 8.5% from P1,250.7 million in 2022 to P1,356.9 million in 2023. The increase is due to the increase in incremental percentage of completion in 2023 compared to the incremental percentage of completion in 2022. As of December 31, 2023, Midpark project has a percentage of completion of 78.97%. Also, higher number of units of midpark was qualified for revenue recognition as it reaches the revenue threshold.

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

Our consolidated cost of services and sales increased by P194.4 million or 19.9%, from P974.9 million in 2022 to P1,169.3 million in 2023.

#### ***Rentals***

Costs of rentals increased by P109.6 million or 29.0%, from P377.5 million in 2022 to P487.1 million in 2023. The increase was primarily attributable to the full year recognition of depreciation expense for 8912 Aseana Ave. and increase in cost of utilities and building maintenance.

#### ***Construction Contracts***

Costs of construction contracts increased by P97.5 million or 1,392.9%, from P7.0 million in 2022 to P104.5 million in 2023. The increase is due to increase in construction services rendered to external parties.

#### ***Sale of Condominium Units***

Cost of sale of condominium units increased by P42.5 million, or 7.9%, from P535.2 million in 2022 to P577.7 million in 2023. The increase was due to the increase in the number of units that are qualified for revenue recognition and the increase in incremental percentage of completion in 2023 compared to the same period in 2022.

### ***Other Operating Expenses - net***

Other operating expenses - net increased by P276.1 million or 53.3%, from P517.7 million in 2022 to P793.8 million in 2023.

#### ***Operating expenses & Selling Expenses***

Operating expenses and selling expenses increased by P279.2 million or 44.1%, from P633.6 million in 2022 to P912.8 million in 2023. The increase was attributable to the increase in commission for sales agents because of the increase in sales take up and new tenants during the year. Also, attributable to the recognition of impairment loss to certain project advances during the year.

### ***Other Income (net)***

Other income increased by P5,708.3 million or 124,093.48% from total net of other income of P4.550 million in 2022 to P5,712.9 million primarily due to the following:

#### ***Other Income***

Other income increased by P5,613.6 million or 100%, from nil in 2022 to P5,613.6 million in 2023. The increased is primarily attributable to the recognition of a gain on remeasurement of the groups previously-held equity interest at fair value in 2023.

### ***Finance Income***

Finance income increased by P88.7 million or 157.3%, from P56.4 million in 2022 to P145.1 million in 2023. The increased is due to the increase in interest income from time deposits with higher effective interest rates.

### ***Tax Expenses***

Tax expenses decreased by P71.0 million or 12.0%, from P590.2 million in 2022 to P519.2 million in 2023. The decrease was primarily due to the decrease in current tax expense on decreased revenues.

### ***Net Profit***

Net profit attributable to parent significantly increased by P5,179.3 million or 244.1%, from P2,121.7 million in 2022 to P7,301.0 million in 2023, as discussed in details in the revenue, cost of services and sales, operating expenses and taxes portions at this report.

### ***Net Income attributable to owners of the Parent company ex one off gain***

Net Income attributable to owners of the Parent company ex one off gain increased by P153.3 million or 10.1%, from P1,522.8 million in 2022 to P1,676.1 million in 2023. The increase is primarily due to the increase in revenue from sale of the condominium units attributable to the percentage of completion and increase in number of units recognized in 2023.

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

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

The Company's total assets increased by P14,623.5 million or 37.8%, from P38,644.5 million as of December 31, 2022 to P53,268.0 million as of December 31, 2023 due to the following:

- Investment property increased by P3,982.5 million or 21%, from P18,994.9 million to P22,974.7 million as of December 31, 2022 and 2023, respectively. This increase was attributable to the recognition of additional investment property from BRADCO at fair value and the cost incurred for the construction of parqal.
- Receivables increased by P897.7 million or 12.8%, from P7,014.7 million to P7,912.4 million as of December 31, 2022 and 2023, respectively, as a result of the recognition of rental receivable based on PAS 17.
- Land and land development cost increased by P9,091.1 million or 533.5%, from P1,703.9 million to P10,795.0 million as of December 31, 2022 and 2023, respectively. The increase is attributable to the recognition of additional land held for sale from BRADCO at fair value.
- Property development cost increased by P596.7 million, or 32.8%, as of December 31, 2022 and 2023, from P1,820.6 million to P2,417.3 million, respectively. The increase is due to the cost recognition of midpark.

## **Total Liabilities**

Total liabilities increased by P2,106.5 million or 16.9%, from P12,471.3 million as of December 31, 2022 to P14,577.8 million as of December 31, 2023, respectively, due to the following:

- Trade and other payables increased by P1,068.8 million or 51%, from P2,093.5 million to P3,162.3 million as of December 31, 2022 and 2023, respectively primarily due to the increase in billings from subcontractors and suppliers.
- Contract liability decreased by P199.9 million or 51.6%, from P387.2 million to P187.3 million as of December 31, 2022 and 2023, respectively, since the percentage of completion rate has caught up against the advance payments of the buyers that reached the 20% threshold
- Deposits and advances increased by P300.2 million or 27.9%, from P1,075.5 million to P1,375.7 million as of December 31, 2022 and 2023, respectively, mainly due to the increase in advance rental and reservation deposit.
- Deferred tax liabilities-net increased by P943.7 million or 84.5% from P1,113.5 million to P2,057.2 million as of December 31, 2022 and 2023, respectively, due to PAS 17 adjustments.

## **Total Equity**

Total equity attributable to holders of parent company increased by P7,033.4 million or 27.5%, from P25,551.7 million to P32,585.1 million as of December 31, 2022 and 2023, respectively, primarily due to the results of operation of P7,301.0 million for the year ended December 31, 2023, net of the Group's declaration and payment of dividends of P254.6 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 increased to 2.85 from 1.63 as of December 31, 2022 and 2023, respectively, mainly due to increase in land and land development cost.
- Debt to equity ratio decrease to 8% from 12% as of December 31, 2022 and 2023, respectively, as a result of principal payments and increased net profit.
- Return on equity increased to 25% from 9% for the period ended December 31, 2022 and 2023, as a result of increase in net profit.

- Net income margin increased to 178% for the period ended December 31, 2023 from 50% as of the same period in 2022, primarily attributable to the remeasurement gain recognized during 2023.
- Recurring income contribution increased to 63.1% in 2023 from 52% in 2022 mainly due to the increase in revenue from rental due to new tenants..

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 balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

### **Item 7. Financial Statements**

Please see the attached 2025 consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules.

### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

#### **Independent Public Accountants**

Punongbayan & Araullo, a member firm of Grant Thornton International Ltd., independent auditors, has audited our consolidated financial statements as of and for the years ended December 31, 2025, 2024 and 2023.

Punongbayan & Araullo has acted as our external auditor since 2010. Niccolo Ian N. Unera is our current and prior year audit partner.

The same firm is being recommended for re-appointment as the Corporation's external auditor for the period ended December 31, 2026. The re-appointment of Punongbayan & Araullo will be presented to the stockholders for their approval at the 2026 Annual Stockholders' Meeting.

#### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

We have not had any material disagreements on accounting and financial disclosures with our current external auditors for the same periods or any subsequent interim period. Punongbayan & Araullo has neither shareholdings in us nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in us. Punongbayan & Araullo will not receive any direct or indirect interest in us or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The succeeding table sets out the aggregate fees billed for each of the last two fiscal years for professional services rendered by Punongbayan & Araullo.

	2024	2025
	(₱ in millions)	
Audit and audit-related fees		
Audit services	4.4	4.6
.....		
Other assurance and related services	0.5	0.3
.....		
All other fees	0.5	0.5
.....		
<b>Total</b>	<b>5.4</b>	<b>5.4</b>

In relation to the audit and review of our consolidated financial statements, our Manual provides that the Audit and Risk Committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of our Company; (ii) ensure that other non-audit work provided by the external auditors is not in conflict with their functions as external auditors; and (iii) ensure our compliance with acceptable auditing and accounting standards and regulations.

### PART III - CONTROL AND COMPENSATION INFORMATION

#### Item 9. Directors and Executive Officers of the Issuer

The succeeding table sets out certain information regarding the members of the Board and our senior management. All members of the Board and executive officers listed below are citizens of the Philippines.

Name	Age	Position
Sylvia C. Wenceslao	80	Chairperson
Delfin Angelo C. Wenceslao	46	Director and Chief Executive Officer
Paolo Vincent C. Wenceslao	49	Director and Chief Operating Officer
Carlos Delfin C. Wenceslao	54	Director and Vice President for Logistics
Edwin Michael C. Wenceslao	50	Director and Vice President for Treasury and Administration
Alberto P. Fenix, Jr.	81	Independent Director
Oscar S. Reyes	79	Independent Director

Name	Age	Position
Benigno A. Tatumay, CPA	47	Chief Finance Officer
Atty. Paul Mar M. Quinto	56	Chief Legal Officer and Corporate Secretary
Atty. Mark S. Gorriceta	48	Chief Information Officer
Atty. Patrick I. Penachos	39	Compliance Officer
Jeffrey Lucero	31	Investor Relations Officer

The business experience for the past five years of each of our Directors and executive officers is set out below.

**Sylvia C. Wenceslao**, *Chairperson (November 2021)*

Dr. Sylvia C. Wenceslao is the Chairperson of D.M. Wenceslao and Associates, Incorporated. Dr. Sylvia C. Wenceslao has been a Director of the Corporation since 2021. Prior to Dr. Sylvia C. Wenceslao's appointment as Chairperson, she served as the corporation's Treasurer and most recently, Vice President for Corporate Social Responsibility. Concurrently, she also serves as Chairman of Wendel Construction Co. Inc., and Chairman of Wendel Holdings Co., Inc. She served as Director of Fabricom Inc., Philippine Ecopanel Inc. and Aseana Holdings Inc.

Dr. Sylvia C. Wenceslao holds a Doctor of Medicine from the University of Santo Tomas.

**Delfin Angelo C. Wenceslao**, *Director and Chief Executive Officer*

Mr. Delfin Angelo C. Wenceslao is a Director and the Chief Executive Officer of the Corporation since June 2015. He is the President of Aseana Holdings, Inc., Aseana Gas Energy Corp. and U-City Technologies Philippines, Inc. He is also the Managing Director of Aseana Real Estate and Management Corp. He serves as the Chief Executive Officer of ABPEA and President of Aseana Residential Holdings Corp. (formerly Bowood Holdings, Inc.). He also serves as an executive officer for almost all of the Group companies.

Mr. Wenceslao is a licensed real estate broker and holds a Bachelor of Arts degree in Management Economics from Ateneo de Manila University and a Master of Science degree in Real Estate Development from Massachusetts Institute of Technology.

**Paolo Vincent C. Wenceslao**, *Director and Chief Operating Officer*

Mr. Paolo Vincent C. Wenceslao is a Director and the Chief Operating Officer of the Corporation since June 2015. He is the President of Wendel Ground Improvement, Inc., and Vice President of Operations of Aseana Residential Holdings Corp. (formerly Bowood Holdings, Inc.), Portal Holdings, Inc. He is also the Chief Operating Officer of ABPEA and serves as a director of a majority of the Group companies.

Mr. Wenceslao is a licensed civil engineer and real estate broker. He holds a Bachelor of Science degree in Civil Engineering from De La Salle University.

**Edwin Michael C. Wenceslao**, *Director and Treasurer*

Mr. Edwin Michael C. Wenceslao is a Director and the Treasurer of the Corporation since 2002. He is the President of Aquadisk Corporation and Managing Director of S Foods Corp., D. Foods Corp., P. Foods Inc., Alphainvest Corporation and Grandwen-B Gas Corp. He is the Chief Financial Officer of ABPEA. He also serves as a director and Treasurer of Aseana Holdings, Inc., Fabricom, Inc., BAHI and other affiliates of the Corporation. He is a director and Treasurer of Aseana Residential Holdings Corp. (formerly Bowood Holdings, Inc.), Aseana Gas Energy Corp.

and U-City Technologies Philippines, Inc. He likewise serves as a director of Portal Holdings, Inc., WHI and other affiliates of the Corporation.

Mr. Wenceslao holds a Bachelor of Arts degree in Humanities with specialization in Entrepreneurial Management from the University of Asia and the Pacific and a Master of Business Administration degree from the Ateneo Graduate School of Business. Mr. Wenceslao also received financial training at Jupiter Asset Management in London, England.

**Carlos Delfin C. Wenceslao**, *Director and Vice President for Logistics*

Mr. Carlos Delfin C. Wenceslao is a Director of the Corporation since May 1997. He is the President of Urban Agro Products, Inc., the Executive Vice President of SHLP-BBP Realty Inc., and the Corporate Secretary of ABPEA. He is a director and Vice President for Logistics of Aseana Residential Holdings Corp. (formerly Bowood Holdings, Inc.) and Portal Holdings, Inc. He is a director of Aseana Holdings, Inc., WHI, and other affiliates of the Corporation.

**Alberto P. Fenix, Jr.**, *Independent Director*

Dr. Alberto P. Fenix, Jr. was elected as an independent Director of the Corporation on February 23, 2018. He has over 40 years of experience in various industries such as manufacturing, mining, commercial and investment banking, and real estate. He is a director of SPC Power Corporation and was also a director of Victorias Milling Company, Inc. He is also the Chairman and President of Fenix Management and Capital, Inc. and Alpina Realty, Inc., and was the President of Ivoclar Vivadent, Inc.

Dr. Fenix holds a master and doctorate degrees in Industrial Management from Massachusetts Institute of Technology's Sloan School of Management and a bachelor's degree in mathematics from the Ateneo de Manila University.

**Oscar S. Reyes<sup>1</sup>**, *Independent Director*

Mr. Oscar S. Reyes has been an independent Director of the Corporation since July 2019. He was the former President and Chief Executive Officer of Manila Electric Company from May 2012 to May 2019, wherein he also served as Senior EVP and COO from July 2010 to May 2012. Prior thereto, Mr. Reyes was the Country Chairman of the Shell companies in the Philippines, and the President & CEO of Pilipinas Shell Petroleum Corp. from May 1997 to December 2011. He held various executive and directorship positions in the said companies from January 1986 to December 2004.

Mr. Reyes obtained his Bachelor of Arts, Major in Economics (Cum Laude) from the Ateneo de Manila University in 1965 and Master of Business Administration (Academic units completed) from the Ateneo Graduate Business School in 1971. He also attended the Japan Productivity Center/Asian Productivity Organization Business Management Consultants and Trainers' Program, the Waterloo Lutheran University International Management Development Program in Canada, the Harvard Business School Program for Management Development in the United States, and the Lensbury Centre Commercial Management Study Program in the United Kingdom.

Mr. Reyes is currently an Independent Director of Pepsi Cola Products Philippines Inc., Basic Energy Corporation and Cosco Capital Inc., and a member of the Advisory Council of PLDT Inc.,

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<sup>1</sup> Dir. Oscar S. Reyes passed away on October 3, 2025.

and Bank of the Philippine Islands.

**Enriqueto M. Soriano**, *Independent Director*

Professor Enriqueto M. Soriano is a governance advocate and turnaround advisor with over three decades of executive and board-level experience across Asia. He currently serves as Executive Director of Wong + Bernstein Strategic Advisory and is a Senior Fellow on Governance at IPMI International Business School in Jakarta. He is also a Senior Accredited Director and member of the Singapore Institute of Directors (SID).

Professor Soriano holds Doctorate units in Public Administration from the University of the Philippines Diliman, an MBA from De La Salle University Manila, and an Executive Diploma in Directorships from the Singapore Management University, among other international post-graduate programs.

Professor Soriano was appointed as an Independent Director effective March 12, 2026, prior to the approval of the Company's 2025 Annual Audited Financial Statement.

**Benigno Tatunay, CPA**, *Chief Finance Officer*

Mr. Benigno Tatunay is a Certified Public Accountant (CPA) and a licensed real estate broker. He is a seasoned Finance Executive with over two (2) decades of experience in the real estate industry. Most recently, Mr. Tatunay served as the Chief Finance Officer (CFO) of a real estate company for over a decade. He also held positions in treasury, accounting, and audit in various companies.

Mr. Tatunay earned his Bachelor of Science in Accountancy from Pamantasan ng Lungsod ng Maynila, graduating Magna Cum Laude. He earned his Master in Business Administration from De La Salle University, graduating with distinction.

**Atty. Paul Mar M. Quinto**, *Chief Legal Officer and Corporate Secretary*

Atty. Paul Mar M. Quinto is the Chief Legal Officer and Corporate Secretary of the Corporation since June 25, 2015. He is the in-house Legal Counsel for all of the Group companies and also possesses legal private practice and other in-house working experience prior to joining the Corporation.

Atty. Quinto studied and finished his Political Science and Law degrees from the University of the Philippines and is a Member of the Integrated Bar of the Philippines.

**Atty. Mark S. Gorriceta**, *Chief Information Officer*

Atty. Mark S. Gorriceta, is the Managing Partner of Gorriceta Africa Cauton & Saavedra. He heads the Corporate Group and Technology Media & Telecommunications Group of the Firm. With over 17 years in private practice, Atty. Gorriceta has developed an extensive expertise in complex corporate transactions, commercial contracts and regulatory matters in a range of areas that impact businesses.

A member of the Philippine Bar, Atty. Gorriceta graduated law with honors and holds a Bachelor of Arts - Political Science degree from the Ateneo de Manila University. He completed certificate courses in Finance at the Asian Institute of Management. He completed a certificate course in Corporate Finance at Harvard University's Extension School. He also completed several Masterclasses on Blockchain, Distributed Ledger & Smart Contracts in Singapore and Hong Kong.

Atty. Gorriceta is a faculty member of the Ateneo de Manila University's Center for Continuing Education, and he teaches Mergers & Acquisitions for the Advanced Module Diploma Course in Corporate Finance. Atty. Gorriceta is currently a Board Trustee, Corporate Secretary and Chief Legal Officer of the Fintech Philippines Association. Mark is Vice Chairman of the ICT Committee of the Financial Executives Institute of the Philippines.

**Atty. Patrick Penachos, *Compliance Officer***

Atty. Patrick I. Penachos is the Compliance Officer of the Corporation since 20 April 2023. He has been a member of the Integrated Bar of the Philippines since 2015. Before joining the Corporation, he worked as a Senior Associate in a law firm in Ortigas and served as Political Affairs Officer in the House of Representatives. He also served as a Director in the House of Representatives Electoral Tribunal. He obtained his Bachelor of Arts major in Legal Studies at the Lyceum of the Philippines University and his law degree at the Arellano School of Law.

**Jeffrey Lucero, *Investor Relations Officer***

Mr. Jeffrey Lucero is the Investor Relations Officer of the Corporation. Prior to joining the Corporation, he was an Equity Analyst in a local trust and asset management group and in a local stock brokerage firm. He was also part of the Investor Relations team of one of the largest conglomerates in the country.

Mr. Lucero graduated Cum Laude from De La Salle University with a Bachelor's Degree in Business Management.

**Significant Employees**

We consider the collective efforts of our employees as vital to our success. We do not solely rely on key individuals for the conduct of our business. Therefore, the resignation or loss of any non-executive employee will not have any significant, adverse effect on our business. No special arrangement with non-executive employees to assure their continued stay with us exists, other than standard employment contracts.

**Family Relationships**

Dr. Sylvia C. Wenceslao is the widow of Mr. Delfin J. Wenceslao, Jr. ("Spouses Wenceslao"). Spouses Wenceslao are the parents of Messrs. Carlos Delfin, Edwin Michael, Paolo Vincent and Delfin Angelo, all surnamed Wenceslao.

Other than the foregoing, there are no family relationships either by consanguinity or affinity up to the fourth civil degree among the Directors, executive officers and Stockholders of the Corporation.

**Involvement in Certain Legal Proceedings of Directors and Executive Officers**

To the best of the knowledge and belief of the Corporation and after due inquiry, none of the Directors, nominees for election as director, or executive officers of the Group, in the five-year period prior to the date of this report, have:

(1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time;

(2) been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;

(3) been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or

(4) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

As of this report, the Corporation is not a party to any litigation or arbitration proceedings of material importance, which could be expected to have a material adverse effect on the Corporation or on the results of its operations. No litigation or claim of material importance is known to be pending or threatened against the Corporation or any of its properties.

## Item 10. Executive Compensation

### *Compensation*

The succeeding table sets out our Chief Executive Officer (“CEO”) and the four most highly compensated executive officers for the year ended December 31, 2025:

<u>Name</u>	<u>Position</u>
Sylvia C. Wenceslao	Chairperson
Delfin Angelo C. Wenceslao	Director and Chief Executive Officer
Paolo Vincent C. Wenceslao	Director and Chief Operating Officer
Edwin Michael C. Wenceslao	Director and Treasurer
Carlos Delfin C. Wenceslao	Director and Vice President for Logistics

The following table identifies and summarizes the aggregate compensation of our CEO and the four most highly compensated executive officers, as well as the aggregate compensation paid to all other officers and Directors as a group, for the years ended December 31, 2024 and 2025:

	<u>Year</u>	<u>Salary</u> <u>(P million)</u>	<u>Other</u> <u>Variable Pay</u> <u>(P million)</u>
CEO and the four most highly compensated executive officers named above			
.....	Actual 2024	36.0	2.0
	Actual 2025	36.0	2.0
	Projected 2026	37.8	2.1

	<u>Year</u>	<u>Salary</u> <u>(P million)</u>	<u>Other</u> <u>Variable Pay</u> <u>(P million)</u>
Aggregate compensation paid to all other officers and Directors as a group unnamed.....	Actual 2024	61.4	4.0
	Actual 2025	67.6	4.0
	Projected 2026	70.9	4.2

Members of the Board of Directors are given a standard per diem of P50,000 per Board meeting.

### ***Standard Arrangements***

Other than payment of reasonable per diem of P50,000 for every Board meeting, there are no standard arrangements pursuant to which our Directors are compensated directly or indirectly, for any services provided as a director.

### ***Other Arrangements***

There are no arrangements pursuant to which any of our Directors is compensated, directly or indirectly, for any service provided as a director.

### **Warrants and Options Outstanding**

As of December 31, 2025, there are no outstanding warrants or options held by our CEO, the named executive officers, and all other officers and Directors as a group.

## Item 11. Security Ownership of Certain Beneficial Owners and Management

- a. Security Ownership of Certain Record and Beneficial Owners of more than 5% as of December 31, 2025:

Title of Securities	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares held	Percent of Class
Common	Wendel Holdings Co. Inc., <sup>(1)</sup>  DMWAI Bldg. 306 E. Rodriguez, Quezon City	See Note 1 below	Filipino	2,715,353,627	79.96%
Common	PCD Nominee Corporation	PCD Participants	Filipino	546,016,979	16.08%

Note:(1) WHI is beneficially owned by AEJ Resources OPC – 16.6%; CEPD Resources OPC – 33.27%; BM Resources OPC – 16.6%; JPFI Resources OPC – 16.6%; DPP Resources OPC – 16.6% in which these companies are wholly owned company of Wenceslao Family.

- b. Security Ownership of Management as of December 31, 2025:

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	% of total outstanding Shares
		Direct (D)	Indirect (I)		
<b>Directors</b>					
Common	Oscar Sison Reyes		100 (D)	Filipino	0.0001%
Common	Alberto Victor P. Fenix, Jr.	100 (D)	110,000 (I)	Filipino	0.0001%
<b>CEO and Most Highly Compensated Executive Officers</b>					
Common	Sylvia C. Wenceslao		15,825 (D)	Filipino	0.0001%
Common	Carlos Delfin C. Wenceslao		1,583 (D)	Filipino	0.0001%
Common	Delfin Angelo C. Wenceslao		1,583 (D)	Filipino	0.0001%
Common	Edwin Michael C. Wenceslao		1,583 (D)	Filipino	0.0001%
Common	Paolo Vincent C. Wenceslao		1,583 (D)	Filipino	0.0001%

Except as disclosed above, none of our other executive officers own shares directly or indirectly in our Company. Ownership in our Company is limited to that indicated in the foregoing.

### Voting Trust Holders of 5% or more

We have no knowledge of any person holding more than 5% of shares under a voting trust or similar agreement.

## **Recent Issuances of Securities Constituting Exempt Transactions by our Company**

Not applicable.

## **Change in Control**

As of December 31, 2025, we do not know of any arrangements that may result in a change in control of the Company.

## **Item 12. Certain Relationships and Related Transactions**

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with its Ultimate Parent, associates, joint ventures and related parties under common ownership and management. 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. Certain advances to related parties are secured by an undertaking of another related party to pay in case of default. Outstanding balances with related parties are unsecured, noninterest bearing, have no fixed repayment and settlement terms, except for the due to Ultimate Parent Company that is payable beyond 12 months.

On October 28, 2019, the Company adopted a Revised Related Party Transactions Policy as mandated by the Securities and Exchange Commission. The policy specifies that the Board shall have the overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy includes the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions.

The Board of Directors reviews and approves all material RPTs, as defined in this policy, endorsed by the Related Party Transaction Committee. All Board-approved material RPTs may be subject to ratification by a vote of the majority of the minority shareholders.

Related Parties	Nature of Transaction
WHI .....	<p>We have and may continue to acquire land in Aseana City from our majority shareholder, WHI. As of December 31, 2025, we had outstanding payable from BAHU amounting P3,439.1 million for the land sale is, which are represented as advances from and due to related parties in our consolidated financial statements.</p> <p>We have executed an assumption of liability agreement with WHI in relation to our funding of start-up and operational costs of a certain related party under common ownership and management. Total advances to WHI including the amount secured by the undertaking amounted to P478.1 million and is presented as Advances to related parties under Receivables account in the consolidated statements of financial position.</p> <p>In 2019, the Group entered into a lease agreement with the Ultimate Parent Company for certain parcels of land with lease term of 30 years. As of December 31, 2025, in accordance with PFRS 16 (see Note 16 of the consolidated financial statements), the Group recognized right-of-use asset and lease liability amounting to P427.4 million and P536.2 million, respectively, for this lease arrangement. The Group incurred depreciation expense and interest expense amounting to P14.8 million and P42.5 million, respectively, in 2025.</p> <p>In 2021, the Parent Company also entered into a contract with WHI to render certain performance obligations relative to the management and administration of the latter's real estate properties, including portions leased to a third party. Revenue recognized from this arrangement amounted to P43.7 million and presented as part of Other Revenues from Rentals under the Revenues section of the 2025 consolidated statement of profit or loss. The outstanding balance, which is unsecured and noninterest-bearing, for the same amount is presented as part of Receivables – net in the 2025 consolidated statement of financial position.</p>

Related Parties	Nature of Transaction
<p>European Resources and Technology, Inc.  Mandaue Land Consortium  Wendel Vega Marine Carrier  Wendel Ground Improvement, Inc.  10k South Concrete Mix Specialist  Bay Security Services  Wendel Osaka Realty Corp.  Aseana CL Beach and Marina Development Corp  Urban Argo Products, Inc.  Aseana Powerstation Association, Inc.</p>	<p>In 2023, the Group entered into a lease agreement with the Ultimate parent company for certain parcels of land with lease term of 25 years. As of December 31, 2025, the Group recognized rent expense amounting to P39.7M for the lease agreement.</p> <p>We made unsecured noninterest-bearing cash advances in prior years to these related parties in connection with the funding of start-up and operational costs and working capital of these entities. These entities were strategically established to complement the overall development of Aseana City and our businesses:</p> <ul style="list-style-type: none"> <li>• Our associate, European Resources and Technology, Inc. provides proper waste management to local and government units. Mandaue Land Consortium is engaged in general realty including owning, reclaiming, enlarging real estate and lands of all kinds.</li> <li>• All of the remaining eight related parties under common ownership and management provide construction materials such as wall panels and cement. As of December 31, 2025, total advances to these related parties amounted in the aggregate to P186.9 million</li> </ul>

Related Parties	Nature of Transaction
Key Management Personnel .....	We paid short-term benefits, including salaries and allowances, bonuses and other employment benefits to certain key management personnel, which amounted to P67.6 million for the year ended December 31, 2025.
Bay Resources and Development Corp. (BRDC) .....	<p data-bbox="794 427 1394 640">On December 11, 2023, the Board of Directors of DMW approved its subscription to 164,106 new common shares in BRDC for approximately Php232.17 Million, providing fresh capital to BRDC for general corporate purposes and developments.</p> <p data-bbox="794 678 1394 925">On December 13, 2023, DMW executed the Subscription Agreement with BRDC for such subscription detailed above. BRDC issued 164,106 new common shares to DMW, increasing DMW's ownership in BRDC to 51% from 50%. This gives DMW a majority stake in BRDC.</p> <p data-bbox="794 963 1394 1391">On December 20, 2023, DMW gained effective control of the Board of Directors of BRDC based on the results of the election of directors during the special stockholders' meeting of BRDC. DMW has appointed 4 nominee directors in BRDC out of 7 board seats. Consequently, BRDC is consolidated as a subsidiary of DMW. BRDC was established to acquire, develop and market real estate properties. BRDC currently owns parcels of land in Aseana City and has existing land lease contracts.</p>
Aseana Water Services Management Inc. (AWSM) .....	<p data-bbox="794 1435 1394 1648">On March 18, 2024, the Board of Directors of DMW approved its subscription to 1,875,000 new common shares in AWSM at par value or a total of Php1.875 million. AWSM issued 1,875,000 new common shares to DMW, bringing DMW's ownership in AWSM to 75%.</p> <p data-bbox="794 1686 1394 2036">This gives DMW a majority stake in AWSM. Aseana Water Services Management Inc. (AWSM) was established to construct, build, maintain, and operate, own or hold, by purchase or otherwise, lease, rent or in any other manner lawfully acquired pipelines, mains, water treatment and sewerage treatment and facilities for the treatment, transportation, delivery, and sale of water; to buy and sell water and water rights from and to individuals,</p>

firms, corporation, municipalities, cities to own and operate, maintain and control such meters and other appliances as may be necessary in conducting its business.

On May 16, 2025, the SEC approved the increase in the authorized capital of AWSMI. This approval resulted in the conversion of the Group's previously subscribed capital in AWSMI into capital stock, effectively increasing the Group's ownership to 98.81%.

For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 26 to the Company's financial statements as of and for the calendar year ended December 31, 2025.

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13.A Corporate Governance**

The Board of Directors approved and adopted the Revised Corporate Governance Manual (“**Manual**”) on May 29, 2019 pursuant to the New Code on Corporate Governance for Publicly Listed Companies issued by the Securities and Exchange Commission (“SEC”) pursuant to SEC Memorandum Circular No. 19 Series of 2016 and SEC Memorandum Circular No. 8 Series of 2017.

The structure and processes set forth in the Manual, the Articles of Incorporation and By-Laws, in conjunction with the commitment to the governance principles of transparency, accountability, fairness and integrity, form the basic framework of governance by which the Company's Board of Directors, officers, executives and employees shall strive to achieve the Company's strategic objectives, create value for all its stakeholders, and sustain its long-term viability.

The Manual features the following provisions:

- Protection of investors. The Manual provides for shareholders' rights and protection, investor relations, dividend policy and a disclosure system to ensure transparency and accountability.
- Board of directors and management. The detailed qualifications and disqualifications, duties, functions and responsibilities of the Board and executive officers are also enumerated in the Manual.
- Checks and balances. The Manual contains the vision, strategic objectives, key policies, procedures for the management of our Company, and mechanisms for monitoring and evaluating management's performance.

- Compliance with the Manual. The appointment of a Compliance Officer to monitor compliance with and violations of the Manual is also provided.
- Creation of committees. The Manual mandates the creation of the Executive Committee, the Audit and Risk Committee, and the Compensation and Remuneration Committee to ensure the performance of certain important functions of the Board and management.

### **Executive Committee**

The Executive Committee acts on specific matters within the competence of the Board as may from time to time be delegated to the executive Committee under our Company's By-Laws, except with respect to: 1) the approval of any action for which shareholders' approval is also required; 2) the filling of vacancies on the Board or the Executive Committee; 3) the amendment or repeal of By-Laws or the adoption of new By-laws; 4) the amendment or repeal of any resolution of the Board of Directors that cannot be amended or repealed based on the terms of the resolution; 5) the distribution of cash dividends; and 6) the exercise of powers delegated by the Board exclusively to other committees, if any.

### **Audit and Risk Committee**

The Audit and Risk committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to its management and shareholders of the continuous improvement of its risk management systems, business operations, control and governance processes. The committee assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with laws, rules and regulations, oversight over the external auditors, the nature, scope and expenses of the audit, and evaluation and determination of any non-audit work and review of the non-audit fees paid to the external auditors.

### **Compensation and Remuneration Committee**

The Compensation and Remuneration Committee is responsible for objectively recommending a formal and transparent framework of remuneration and evaluation for the members of the Board and our key executives to enable them to run the Group successfully.

### **Nomination and Election Committee**

The Nomination and Election Committee is responsible for providing the Company's shareholders with an independent and objective evaluation and assurance that the members of the Board are competent and will foster long-term success and competitiveness. The nomination and election procedures of independent Directors are in accordance with Securities Regulation Code of the Philippines Rule 38 and related regulations.

### **Item 13.B Sustainability Report**

Please see the attached SEC MC No. 4 Annex A and schedules listed in the accompanying Index to SEC MC No. 4 Annex A

## PART V - EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### A. Exhibits – see accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report:  
[2024 Consolidated Audited Financial Statements](#)

#### B. Reports on SEC Form 17-C

The following is a list of corporate disclosures filed under SEC Form 17-C for the period from January 1, 2025 to December 31, 2025:

<u>Date of Disclosure</u>	<u>Subject Matter</u>
January 30, 2025	Press Release “D.M. Wenceslao Ranks in the Top Decile of S&P Global Corporate Sustainability Assessment”
February 6, 2025	Notice of Analysts' Briefing
February 17, 2025	Press Release “D.M. Wenceslao Included in ATRAM Sustainable Development and Growth Fund for 2025”
March 14, 2025	Press Release “DMW’s 2024 Core Net Income Grows 10% to Php1.8 billion on Robust Leasing Performance”
March 14, 2025	Material Information/Transactions “Results of the Regular Meeting of the Board of Directors”
March 14, 2025	Declaration of Cash Dividends
March 14, 2025	Notice of Annual Stockholders' Meeting
March 21, 2025	Press Release “DMW Grows Cash Dividends by 20% YoY to Highest Level Since IPO”
April 24, 2025	Notice of Analysts' Briefing
May 9, 2025	Material Information/Transactions “Results of the Regular Meeting of the Board of Directors”
May 14, 2025	Press Release “DMW’s 1Q2025 Net Income Grows to Php562 Million on Commercial Leasing Strength”
May 20, 2025	Press Release “D.M. Wenceslao Breaks Ground on the First Phase of its Largest Commercial Project in Aseana City”
June 30, 2025	Results of the Annual Stockholders' Meeting for 2025
June 13, 2025	Results of Organizational Meeting of the Board of Directors
July 28, 2025	Notice of Analysts' Briefing
August 14, 2025	Material Information/Transactions “Results of the Regular Meeting of the Board of Directors”
August 15, 2025	Press Release “D.M. Wenceslao and Associates, Inc.’s 1H2025 Net Income Rises to Php936 Million on Sustained Leasing Momentum”
October 6, 2025	Change in Directors and/ or Officers

<b><u>Date of Disclosure</u></b>	<b><u>Subject Matter</u></b>
October 13, 2025	Notice of Analysts' Briefing
November 11, 2025	Material Information/Transactions “Results of the Regular Meeting of the Board of Directors”
November 12, 2025	Press Release “DMW’s 9M2025 Net Income Grows to Php1.4 Billion”

**INDEX TO EXHIBITS**  
Form 17-A

No.		Page No.
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	*
(8)	Voting Trust Agreement	*
(9)	Material Contracts	*
(10)	Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
(13)	Letter re Change in Certifying Accountant	*
(16)	Report Furnished to Security Holders	*
(18)	Subsidiaries of the Registrant	
	<i>(Please refer to Note 2 of the attached 2020 consolidated financial statements for details)</i>	
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	*
(20)	Consent of Experts and Independent Counsel	*
(21)	Power of Attorney	*
(22)	Additional Exhibits	*

\* These Exhibits are either not applicable to the Company or require no answer.

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of PARANAQUE CITY on \_\_\_\_\_, 20\_\_.

By:



**Sylvia C. Wenceslao**  
Chairman



**Delfin Angelo C. Wenceslao**  
Chief Executive Officer



**Benigno A. Tatunay**  
Chief Finance Officer

**SUBSCRIBED AND SWORN** to before me this 06 day of APR 2026 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

<b>NAMES</b>	<b>Passport No.</b>	<b>DATE OF ISSUE</b>	<b>PLACE OF ISSUE</b>
Sylvia C. Wenceslao	P9179880B	March 15, 2022	Manila
Delfin Angelo C. Wenceslao	P5710494A	January 22, 2018	Manila
Benigno A. Tatunay	P6123739A	February 21, 2018	Manila

**Notary Public**



**ATTY. MA FILIPINAS E. DAGDAGAN**  
Notary Public for Paranaque City  
Roll No. 60691  
Aseana 3 Bldg., PDMB, Aseana City, Paranaque City  
PTR No. MKT10766771AG, January 5, 2026, Makati City  
IBP Service Invoice No. 579363 valid until December 31, 2026  
MCLE Compliance No. VM-0002052  
Notarial Commission No. 414-2025  
Until December 31, 2026

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

**FORM 14-A, ITEM 7**

<u>Schedule</u>	<u>Content</u>	<u>Page</u>	<u>No of pages</u>
<b>Consolidated Financial Statements</b>			
	Statement of Management's Responsibility for Financial Statements	58	2
	Report of Independent Auditors	60	8
	Consolidated Statements of Financial Position as of December 31, 2025, and 2024	68	2
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*\*Information presented herein are based on the separate financial statements of D.M. Wenceslao and Associates, Inc.*



## STATEMENT OF MANAGEMENT'S REPRESENTATION FOR FINANCIAL STATEMENTS

The management of **D.M WENCESLAO & ASSOCIATES, INC AND SUBSIDIARIES** (the Group) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025, 2024, and 2023, in accordance with prescribed financial reporting framework indicated therein, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group financial reporting process.

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

PUNONGBAYAN & ARAULLO, the independent auditors appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippines Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

**SYLVIA C. WENCESLAO**  
Chairman

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

**BENIGNO A. TATUNAY**  
Chief Financial Officer

Signed this 12<sup>th</sup> day of March 2026

• CONSTRUCTION • SUPERVISION AND MANAGEMENT • PLANNING AND DESIGN • DEVELOPMENT •

ISO 9001 – 2015 CERTIFIED



MEMBER



Management Service

Cert. No. TUV 100 05 1867



Accreditation by the Joint Accreditation System  
of Australia and New Zealand URL  
[www.jas-anz.org/register](http://www.jas-anz.org/register)



Republic of the Philippines)

City of PARANAQUE CITY

JURAT

SUBSCRIBED AND SWORN to before 15 APR 2026 in PARANAQUE CITY  
affiant to me exhibiting their Tax Identification Number 116-132-621 and 211-244-894 as  
competent evidence of their identity.



Doc. No. 380  
Page No. 76  
Book No. 11  
Series of 2026

**ATTY. MA. MELBINA S. DAGDAGAN**  
Notary Public for Parañaque City  
Roll No. 60631

Aseana 3 Bldg., PDMB, Aseana City, Parañaque City  
PTR No. MKT 1766771AG, January 5, 2026, Makati City  
IBP Service Invoice No. 579363 valid until December 31, 2026  
MCLE Compliance No. VIII-0002052  
Notarial Commission No. 414-2025  
Until December 31, 2026

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**P&A**  
**Grant Thornton**

**FOR SEC FILING**

Consolidated Financial Statements and  
Independent Auditors' Report

**D.M. Wenceslao & Associates, Incorporated  
and Subsidiaries**

December 31, 2025, 2024 and 2023

## Report of Independent Auditors

**The Board of Directors and Stockholders**  
**D.M. Wenceslao & Associates, Incorporated and Subsidiaries**  
**(A Subsidiary of Wendel Holdings Co., Inc.)**  
15<sup>th</sup> Floor, Aseana 3  
D. Macapagal Blvd. corner Asean Ave., Aseana City  
Parañaque City

### **Opinion**

We have audited the consolidated financial statements of D.M. Wenceslao & Associates, Incorporated and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at and for the years ended December 31, 2025 and 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards), and for the year ended December 31, 2023 in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the financial statements.

### **Basis for Opinion**

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

***Emphasis of Matter***

We draw attention to Note 2 to the financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry, using modified retrospective approach. Our opinion is not modified in respect of this matter.

***Key Audit Matters***

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

Key audit matters identified in our audit of the consolidated financial statements of the Group are the following:

***(a) Revenue Recognition for Rental of Investment Properties******Description of the Matter***

In 2025, the Group recognized revenue from the rentals of investment properties amounting to P2,733.6 million, which represents 72% of the Group's total revenue. Rental income on long-term leases is recognized on a straight-line basis over the term of the relevant lease agreements as disclosed in Note 2 to the consolidated financial statements.

We considered revenue from rentals of investment properties significant to our audit due to the materiality and pervasiveness of the amount, the volume of transactions processed, and the judgment involved in interpreting and applying the significant terms and conditions of the lease agreements relative to the requirements of PFRS 16, *Leases*. In particular, judgment is required in determining the appropriate rental income arising from lease terms such as rent-free periods, periodic rent escalation, and lease modification, and ensuring the rental income and rental receivables are recognized in the appropriate periods. An error in the Group's understanding of the significant terms and conditions of the lease agreements and accounting treatment may result in overstatement or understatement of the reported rental revenues and the related receivables recognized therefrom.

The Group's disclosures relating to revenues from rentals are disclosed in Notes 4, 15, 26 and 29.

***How the Matter was Addressed in the Audit***

Our audit procedures to address the risk of material misstatement relating to recognition of revenue from rentals included the following:

- inspecting, on a sample basis, the lease agreements entered into with the Group's tenants, and evaluating the significant terms and conditions that affect the recognition and measurement of rental income, including rent-free periods, escalation clauses and modification provisions;

- determining, based on the significant terms and conditions of the lease agreements, whether the recognition of rental income is in compliance with the lessor accounting requirements of PFRS 16;
- recomputing, on a sample basis, the amounts of rental income and the related receivables taking into consideration, among others, the lease payments, lease terms (including rent-free periods), periodic rent escalations, and effect of any modifications;
- testing, on a sample basis, whether rental income related to existing lease agreements have been recognized in the proper accounting period; and,
- evaluating the completeness and appropriateness of the related disclosures in the financial statements against the requirements of relevant financial reporting standards.

**(b) Revenue Recognition on Sale of Condominium Units**

*Description of the Matter*

In 2025, the Group recognized revenue from the sale of condominium units amounting to P499.0 million which represents 13% of the Group's total revenues. As disclosed in Notes 2 and 3 to the consolidated financial statements, the Group recognizes revenue from sale of condominium units over time proportionate to the progress of the related real estate projects. The Group uses the input method in determining the percentage of completion after satisfying the gating criteria of PFRS 15, *Revenue from Contracts with Customers*, including establishing that collection of the total contract price is reasonably assured.

We identified the revenue recognition on sale of condominium units as significant to our audit as it requires significant management judgment in assessing the collectability of the contract price, and estimating the stage of completion of the real estate project. An error in the application of judgment and estimate could cause a material misstatement in the consolidated financial statements.

The details of revenue on sale of condominium units are disclosed in Note 4 to the consolidated financial statements.

*How the Matter was Addressed in the Audit*

Our audit procedures to address the risk of material misstatement relating to revenue recognition on sale of condominium units included, among others, the following:

- evaluating the appropriateness of the Group's revenue recognition policy, testing the design and operating effectiveness of controls relevant to the recognition of revenues from sale of condominium units;
- examining, on a sample basis, contracts with customers and other relevant supporting documents to ascertain revenue occurrence and proper recognition and measurement based on contract terms and conditions in accordance with the requirements of PFRS 15;

- evaluating the reasonableness of the percentage-of-completion by analyzing the costs incurred to date in proportion of the total estimated and budgeted costs, and testing, on a sample basis, actual costs incurred through direct examination of relevant supporting documents;
- assessing the reasonableness of estimated contract costs with reference to contractors' and suppliers' quotes and historical costs of similar and recently completed projects, taking into consideration the effect of variation to the original contract terms;
- recomputing revenues recognized during the year based on the percentage-of-completion;
- evaluating appropriateness of the Group's continuous application of PFRS 15 on its real estate transactions; and,
- evaluating the completeness and appropriateness of the disclosures to the financial statements against the requirements of relevant standards.

**(c) Initial Adoption of the Deferred Financial Reporting Interpretations Affecting the Real Estate Industry Using the Modified Retrospective Approach**

*Description of the Matter*

The Group adopted in 2024 the previously deferred financial reporting interpretations affecting the real estate industry using the modified retrospective approach resulting in an adjustment on the beginning balance of retained earnings amounting to P165.5 million.

This area is significant to our audit due to the materiality of the related adjustment to the beginning balance of retained earnings. Further, the application of the deferred interpretations involves use of significant judgment and estimates.

The details of the impact of the adoption of the financial reporting interpretations are more fully described in Note 2 to the consolidated financial statements while the significant judgment and estimates involved in the processes are disclosed in Note 3 to the consolidated financial statements.

*How the Matter was Addressed in the Audit*

Our audit procedures to address the risk of material misstatement relating to the adoption of the previously deferred provisions of PFRS 15 and the related financial reporting interpretations included, among others, the following:

- evaluating the Group's application of the adopted interpretations and compliance thereto;
- performing tests of mathematical accuracy of the Group's analysis and schedule of significant financing component and completeness of the relevant supporting contract summary and calculations;
- examining supporting documents of a sample of agreements;

- reviewing the reasonableness of applicable prior period adjustments accounted for under modified retrospective approach;
- performing overall analytical review of actual results; and,
- evaluating the completeness and appropriateness of the disclosures to the financial statements against the requirements of relevant standards.

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Group's SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2025, are expected to be made available to us after the date of this auditors' report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the relevant accounting frameworks as discussed in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Niccolo Ian N. Unera.

**PUNONGBAYAN & ARAULLO**

By:  **Niccolo Ian N. Unera**  
Partner

CPA Reg. No. 0146692  
TIN 428-513-274  
PTR No. 10770776, January 6, 2026, Makati City  
SEC Group A Accreditation  
Partner - No. 146692-SEC (until financial period 2029)  
Firm - No. 0002 (until financial period 2030)  
BIR AN 08-002551-052-2023 (until November 23, 2026)  
BOA/PRC Cert. of Reg. No. 0002/P-021 (until August 12, 2027)

March 12, 2026

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

	Notes	2025	2024
<b><u>A S S E T S</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	<b>P 4,571,850,964</b>	P 4,631,655,073
Receivables - net	9	<b>3,800,737,003</b>	3,433,517,447
Contract assets	10	<b>1,641,231,423</b>	1,706,603,706
Land and land development costs	11	<b>11,842,953,967</b>	11,723,087,039
Property development costs	10	<b>2,530,169,638</b>	2,567,674,557
Other current assets	12	<b><u>1,363,099,763</u></b>	<u>1,505,752,998</u>
Total Current Assets		<b><u>25,750,042,758</u></b>	<u>25,568,290,820</u>
<b>NON-CURRENT ASSETS</b>			
Receivables	9	<b>5,944,942,897</b>	5,393,722,489
Investments in associates	13	<b>48,110,183</b>	48,320,285
Property and equipment - net	14	<b>301,889,987</b>	325,813,329
Investment properties - net	15	<b>22,045,372,411</b>	22,116,006,095
Deferred tax assets - net	25	<b>775,930</b>	776,104
Other non-current assets - net	17	<b><u>982,381,000</u></b>	<u>288,058,857</u>
Total Non-current Assets		<b><u>29,323,472,408</u></b>	<u>28,172,697,159</u>
<b>TOTAL ASSETS</b>		<b><u>P 55,073,515,166</u></b>	<u>P 53,740,987,979</u>

	Notes	2025	2024
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	18	P 716,666,666	P 260,666,667
Trade and other payables	19	2,693,076,477	3,004,718,055
Contract liabilities	10	64,390,844	107,941,425
Advances from and due to related parties	26	3,521,622,188	3,607,777,570
Deposits and advances	20	814,852,177	763,182,932
Lease liabilities	16	21,468,247	10,209,561
Income tax payable		<u>102,805,410</u>	<u>128,173,814</u>
Total Current Liabilities		<u>7,934,882,009</u>	<u>7,882,670,024</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	18	2,468,750,000	2,604,166,666
Deposits and advances	20	726,373,847	977,040,151
Deferred tax liabilities - net	25	1,401,358,378	1,330,988,769
Lease liabilities	16	514,749,025	520,075,323
Retirement benefit obligation - net	24	<u>40,522,715</u>	<u>44,296,084</u>
Total Non-current Liabilities		<u>5,151,753,965</u>	<u>5,476,566,993</u>
Total Liabilities		<u>13,086,635,974</u>	<u>13,359,237,017</u>
<b>EQUITY</b>			
Equity attributable to shareholders of the parent company	28		
Capital stock		3,395,864,100	3,395,864,100
Additional paid-in capital		6,964,649,807	6,964,649,807
Revaluation reserves - net		( 46,429,607 )	( 48,999,180 )
Other reserves		( 275,974,845 )	( 275,974,845 )
Retained earnings		<u>25,739,492,538</u>	<u>24,198,354,778</u>
Total equity attributable to shareholders of the parent company		<u>35,777,601,993</u>	<u>34,233,894,660</u>
Non-controlling interest		<u>6,209,277,199</u>	<u>6,147,856,302</u>
Total Equity		<u>41,986,879,192</u>	<u>40,381,750,962</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>P 55,073,515,166</b></u>	<u><b>P 53,740,987,979</b></u>

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>REVENUES</b>	4			
Rentals:	26			
Land	15, 20, 29	<b>P 1,324,420,844</b>	P 1,351,676,389	P 1,281,004,246
Building	15, 20, 29	<b>1,409,146,233</b>	1,422,676,720	982,676,920
Other revenues	2, 26	<b>554,383,513</b>	528,775,435	324,602,561
		<b>3,287,950,590</b>	3,303,128,544	2,588,283,727
Residential sales	2	<b>499,044,814</b>	385,483,859	1,356,887,485
Construction contracts	2	<b>1,706,602</b>	7,110,572	153,790,324
Other revenue	2	<b>27,129,999</b>	-	-
		<b>3,815,832,005</b>	3,695,722,975	4,098,961,536
<b>COSTS OF SERVICES AND SALES</b>	23			
Rentals	21	<b>740,459,386</b>	666,068,689	487,076,450
Residential sales	2, 10, 21	<b>82,727,539</b>	111,433,633	577,738,569
Construction contracts	21	<b>566,417</b>	3,466,508	104,491,500
		<b>823,753,342</b>	780,968,830	1,169,306,519
<b>GROSS PROFIT</b>		<b>2,992,078,663</b>	2,914,754,145	2,929,655,017
<b>OTHER OPERATING INCOME (EXPENSES)</b>				
General and administrative	23	<b>( 690,555,240 )</b>	( 655,183,757 )	( 788,442,192 )
Selling	23	<b>( 47,840,583 )</b>	( 73,968,598 )	( 124,351,349 )
Other operating income	22	<b>155,938,076</b>	461,305,052	118,994,183
		<b>( 582,457,747 )</b>	( 267,847,303 )	( 793,799,358 )
<b>OPERATING PROFIT</b>		<b>2,409,620,916</b>	2,646,906,842	2,135,855,659
<b>OTHER INCOME (CHARGES)</b>				
Finance income	8, 22	<b>229,424,106</b>	239,335,654	145,115,337
Finance costs	16, 18, 22, 24	<b>( 194,848,328 )</b>	( 220,989,643 )	( 60,008,425 )
Share in net earnings of associates and joint ventures	13	<b>( 55,145 )</b>	( 372,970 )	11,205,903
Dividend income	12	-	1,727,678	2,940,008
Gain on remeasurement of previously-held equity interest in a joint venture	13	-	-	5,613,607,817
		<b>34,520,633</b>	19,700,719	5,712,860,640
<b>PROFIT BEFORE TAX</b>		<b>2,444,141,549</b>	2,666,607,561	7,848,716,299
<b>TAX EXPENSE</b>	25	<b>518,975,802</b>	543,594,731	519,243,091
<b>NET PROFIT</b>		<b>P 1,925,165,747</b>	P 2,123,012,830	P 7,329,473,208
Net profit attributable to:				
Equity shareholders of the parent company		<b>P 1,863,744,850</b>	P 2,080,197,087	P 7,301,008,039
Noncontrolling interest		<b>61,420,897</b>	42,815,743	28,465,169
		<b>P 1,925,165,747</b>	P 2,123,012,830	P 7,329,473,208
<b>Earnings Per Share - Basic and Diluted</b>	27	<b>P 0.549</b>	P 0.613	P 2.150

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	Notes	2025	2024	2023
<b>NET PROFIT</b>		<b>P 1,925,165,747</b>	<b>P 2,123,012,830</b>	<b>P 7,329,473,208</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurements of post-employment defined benefit plan	24	4,237,121	4,417,239	( 18,009,520)
Tax income (expense)	25	( 1,059,280)	( 1,104,309)	4,502,380
		3,177,841	3,312,930	( 13,507,140)
Fair value gain (loss) on financial assets at fair value through other comprehensive income	17, 28	( 608,268)	( 1,052,720)	526,360
<b>Other Comprehensive Income (Loss) – net of tax</b>	28	<b>2,569,573</b>	<b>2,260,210</b>	<b>( 12,980,780)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P 1,927,735,320</b>	<b>P 2,125,273,040</b>	<b>P 7,316,492,428</b>
<b>Total comprehensive income attributable to:</b>				
Equity shareholders of the parent company		P 1,866,314,423	P 2,082,457,297	P 7,288,027,259
Noncontrolling interest		61,420,897	42,815,743	28,465,169
		<b>P 1,927,735,320</b>	<b>P 2,125,273,040</b>	<b>P 7,316,492,428</b>

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

Notes	Attributable to Shareholders of the Parent Company							Noncontrolling Interest	Total Equity
	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Other Reserves	Retained Earnings		Total		
					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 22,998,354,778	P 1,200,000,000	P 34,233,894,660	P 6,147,856,302	P 40,381,750,962
Cash dividend declared	-	-	-	-	( 322,607,090 )	-	( 322,607,090 )	-	( 322,607,090 )
Appropriations of retained earnings	-	-	-	-	( 3,000,000,000 )	3,000,000,000	-	-	-
Net profit for the year	-	-	-	-	1,863,744,850	-	1,863,744,850	61,420,897	1,925,165,747
Other comprehensive income for the year	-	-	2,569,573	-	-	-	2,569,573	-	2,569,573
<b>Balance at December 31, 2025</b>	<b><u>P 3,395,864,100</u></b>	<b><u>P 6,964,649,807</u></b>	<b><u>( P 46,429,607 )</u></b>	<b><u>( P 275,974,845 )</u></b>	<b><u>P 21,539,492,538</u></b>	<b><u>P 4,200,000,000</u></b>	<b><u>P 35,777,601,993</u></b>	<b><u>P 6,209,277,199</u></b>	<b><u>P 41,986,879,192</u></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	P 1,200,000,000	P 32,585,155,285	P 6,105,040,559	P 38,690,195,844
Effect of adoption of interpretations affecting real estate	-	-	-	-	( 165,541,390 )	-	( 165,541,390 )	-	( 165,541,390 )
Balance at January 1, 2024, as restated	3,395,864,100	6,964,649,807	( 51,259,390 )	( 275,974,845 )	21,186,334,223	1,200,000,000	32,419,613,895	6,105,040,559	38,524,654,454
Cash dividend declared	-	-	-	-	( 268,176,532 )	-	( 268,176,532 )	-	( 268,176,532 )
Net profit for the year	-	-	-	-	2,080,197,087	-	2,080,197,087	42,815,743	2,123,012,830
Other comprehensive loss for the year	-	-	2,260,210	-	-	-	2,260,210	-	2,260,210
<b>Balance at December 31, 2024</b>	<b><u>P 3,395,864,100</u></b>	<b><u>P 6,964,649,807</u></b>	<b><u>( P 48,999,180 )</u></b>	<b><u>( P 275,974,845 )</u></b>	<b><u>P 22,998,354,778</u></b>	<b><u>P 1,200,000,000</u></b>	<b><u>P 34,233,894,660</u></b>	<b><u>P 6,147,856,302</u></b>	<b><u>P 40,381,750,962</u></b>
Balance at January 1, 2023	P 3,395,864,100	P 6,964,649,807	( P 38,278,610 )	( P 275,974,845 )	P 14,305,467,663	P 1,200,000,000	P 25,551,728,115	P 621,487,912	P 26,173,216,027
Cash dividend declared	-	-	-	-	( 254,600,089 )	-	( 254,600,089 )	-	( 254,600,089 )
Effect of consolidation of a subsidiary	-	-	-	-	-	-	-	5,455,087,478	5,455,087,478
Net profit for the year	-	-	-	-	7,301,008,039	-	7,301,008,039	28,465,169	7,329,473,208
Other comprehensive income for the year	-	-	( 12,980,780 )	-	-	-	( 12,980,780 )	-	( 12,980,780 )
<b>Balance at December 31, 2023</b>	<b><u>P 3,395,864,100</u></b>	<b><u>P 6,964,649,807</u></b>	<b><u>( P 51,259,390 )</u></b>	<b><u>( P 275,974,845 )</u></b>	<b><u>P 21,351,875,613</u></b>	<b><u>P 1,200,000,000</u></b>	<b><u>P 32,585,155,285</u></b>	<b><u>P 6,105,040,559</u></b>	<b><u>P 38,690,195,844</u></b>

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	Notes	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		P 2,444,141,549	P 2,666,607,561	P 7,848,716,299
Adjustments for:				
Depreciation and amortization	23	382,497,708	407,764,619	282,306,074
Interest income	8	( 177,752,876 )	( 145,369,038 )	( 145,115,337 )
Interest expense and other charges	16, 18, 20	183,644,975	165,705,208	56,445,599
Unrealized foreign currency losses (gains) - net	22	( 9,809,908 )	( 64,098 )	64,492
Impairment loss (reversal)	22, 23	3,917,742	( 12,778,909 )	120,797,713
Share in net earnings of associates and joint ventures	13	55,145	372,970	( 11,205,903 )
Gain on recognition of building improvements	22	-	( 276,750,000 )	-
Dividend income	13	-	( 1,727,678 )	( 2,940,008 )
Fair value loss in financial assets at fair value through profit or loss	12	-	( 676,500 )	1,516,500
Gain on remeasurement of previously-held equity interest in a joint venture	13	-	-	( 5,613,607,817 )
Operating profit before working capital changes		2,826,694,335	2,803,084,135	2,536,977,612
Increase in receivables		( 898,920,091 )	( 1,107,772,038 )	( 683,697,468 )
Decrease (increase) in contract assets		65,372,283	( 98,793,595 )	( 953,018,731 )
Increase in land and land development costs		( 92,381,677 )	( 4,681,285 )	( 111,366,816 )
Decrease (increase) in property development costs		37,504,919	( 150,356,632 )	( 533,171,050 )
Decrease (increase) in other assets		197,722,824	313,831,268	( 15,819,591 )
Increase (decrease) in trade and other payables		( 285,158,543 )	( 90,583,767 )	1,319,128,760
Decrease in contract liabilities		( 43,550,581 )	( 79,362,644 )	( 199,881,228 )
Increase (decrease) in deposits and advances		( 208,870,691 )	361,274,410	276,799,249
Increase in retirement benefit obligation		463,752	7,670,179	4,733,300
Cash generated from operations		1,598,876,530	1,954,310,031	1,640,684,037
Cash paid for income taxes	25	( 505,842,006 )	( 610,681,992 )	( 486,759,534 )
Net Cash From Operating Activities		1,093,034,524	1,343,628,039	1,153,924,503
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions in construction in progress, development costs and acquisition of investment properties	15, 17	( 1,016,215,796 )	( 752,489,759 )	( 1,366,731,000 )
Interest received		177,752,876	146,045,538	143,598,837
Acquisitions of property and equipment	14	( 31,105,809 )	( 40,262,479 )	( 52,704,404 )
Additional advances to related parties	26	( 23,282,658 )	( 352,322 )	( 106,398,265 )
Collection of advances to related parties	26	-	6,025,408	119,193,465
Dividend received		-	1,727,678	2,940,008
Net Cash Used in Investing Activities		( 892,851,387 )	( 639,305,936 )	( 1,260,101,359 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Additional interest-bearing loans and borrowings	18	750,000,000	-	-
Repayments of interest-bearing loans and borrowings	18	( 429,416,667 )	( 200,000,000 )	( 116,666,667 )
Cash dividends paid to stockholders of parent company	28	( 322,607,090 )	( 268,176,532 )	( 254,600,089 )
Interest paid	18	( 145,079,932 )	( 126,396,617 )	( 126,642,983 )
Repayments of advances from related parties	26	( 86,155,382 )	( 296,499,638 )	( 175,258,813 )
Repayments of lease liabilities	16	( 36,538,083 )	( 36,927,546 )	( 40,040,370 )
Additional advances from related parties	26	-	-	15,375,718
Net Cash Used in Financing Activities		( 269,797,154 )	( 928,000,333 )	( 697,833,204 )
<b>Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents</b>		9,809,908	64,098	( 64,492 )
<b>Effect of Consolidation of a Subsidiary</b>		-	-	64,869,210
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		( 59,804,109 )	( 223,614,132 )	( 739,205,342 )
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		4,631,655,073	4,855,269,205	5,594,474,547
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		P 4,571,850,964	P 4,631,655,073	P 4,855,269,205

Supplemental Information on Non-cash Activities is disclosed in Note 31

*See Notes to Consolidated Financial Statements.*

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
*(A Subsidiary of Wendel Holdings Co., Inc.)*  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025, 2024 and 2023**  
*(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 28.1).

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 13).

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 December 31, 2025 and 2024.

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

On November 5, 2020, the WHI's BOD approved the change of WHI's registered office from DMWAI Building, 306 E. Rodriguez Sr. Boulevard, Quezon City to 15th Floor Aseana 3, Aseana 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.

Subsequently, on November 12, 2025, the BOD approved the transfer of WHI's registered office address back to DMWAI Building, 306 E. Rodriguez Sr. Avenue, Don Manuel, Quezon City 1113, Second District, NCR. The change in WHI's office address was approved by the SEC on December 16, 2025.

***1.2 Subsidiaries and Associates***

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

The following table summarizes the effective percentage of ownership or interest of DMWAI over related entities as of December 31, 2025 and 2024.

Name of Subsidiaries/Associates	Explanatory Notes	Effective Percentage of Ownership/Interest	
		2025	2024
<b>Subsidiaries:</b>			
Direct:			
Aseana Residential Holdings Corp. (ARHC)	(a)	<b>100.00%</b>	100.00%
Aseana Holdings, Inc. (AHI)	(b)	<b>99.98%</b>	99.98%
Fabricom, Inc. (FI)	(c)	<b>99.98%</b>	99.98%
Fabricom Realty Development Corporation (FRDC)	(d)	<b>62.20%</b>	62.20%
R-1 Consortium, Inc. (R-1)	(e)	<b>55.45%</b>	55.45%
Alphaland Bay City Corporation (ABCC)	(f)	<b>100.00%</b>	100.00%
Bay Resources and Development Corporation (BRADCO)	(x)	<b>51.00%</b>	51.00%
Aseana Water Services Management Inc. (AWSMI)	(z)	<b>98.81%</b>	75.00%
Direct and Indirect:			
Portal Holdings, Inc. (PHI)	(g)	<b>100.00%</b>	100.00%
Mandaue Land Consortium, Inc. (MLCI)	(h)	<b>81.00%</b>	81.00%
Aseana I.T. Plaza, Inc. (AITPI)	(i)	<b>66.97%</b>	66.97%
SHLP BBP Realty, Inc. (SBRI)	(j)	<b>55.96%</b>	55.96%
Aseana Ground Floor Holdings Corp. (AGFHC)	(k)	<b>82.50%</b>	82.50%
Indirect:			
58 Jupiter Inc. (formerly Reine, Inc.) (58 Jupiter) - Accounted for as Asset Acquisition	(l)	<b>100.00%</b>	100.00%
L&B Development Corporation (LBDC) - Accounted for as Asset Acquisition	(m)	<b>100.00%</b>	100.00%
Boracay International Airport & Dev't Corp. (BIADC)	(n)	<b>99.98%</b>	99.98%
U-City Technologies Philippines, Inc. (UCTPI)	(o)	<b>99.98%</b>	99.98%
Aseana City Transport & Travel Corp. (ACTTC)	(p)	<b>99.98%</b>	99.98%
Aseana Gas Energy Corp. (AGEC)	(q)	<b>99.98%</b>	99.98%
Aseana Real Estate Services Management Corp. (ARESM)	(r)	<b>95.98%</b>	95.98%
Bay Area Holdings, Inc. (BAHI)	(s)	<b>59.98%</b>	59.98%
Aseana Resi Rent Corp. (ARRC)	(t)	<b>100.00%</b>	100.00%
Gallio Events, Inc. (GEI)	(y)	<b>99.99%</b>	99.99%
<b>Associates:</b>			
Alphaland Heavy Equipment, Corp. (AHEC)	(u)	<b>50.00%</b>	50.00%
European Resources and Technology, Inc. (ERTI)	(v)	<b>42.00%</b>	42.00%
Aseana CL, Beach and Marina Development Corporation (ACBMDC)	(w)	<b>36.00%</b>	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 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.
- (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 13.3(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, BAHI 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(b)]. AGHFC was incorporated in October 22, 1999 and 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, 2024, 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) DMWAI'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].
- (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 incorporated in 2023 and has started commercial operations in 2025. As of acquisition date, its total assets and total liabilities amounted to P0.6 million and P0.1 million, respectively, which were assessed by management to be not significant. AWSMI was incorporated to primarily engage in constructing, maintaining, and operating water treatment and sewerage facilities. It also deals with the transportation, delivery, and sale of water, as well as buying and selling water rights. AWSMI can own, lease, or rent necessary properties and equipment, but it does not engage in financial leasing or issue investment contracts. In 2024, the Group obtained control of AWSMI for a total consideration of P1.9 million, resulting in a direct ownership of 75.00%. The acquisition was accounted for using the pooling of interests method as the previous stockholders of AWSMI were also the principal stockholders of the Group [see Notes 2.3(b) and 3.1(l)]. On May 16, 2025, the SEC approved the increase in the authorized capital of AWSMI. This approval resulted in the conversion of the Group's previously subscribed capital in AWSMI into capital stock, effectively increasing the Group's ownership to 98.81%.

As of December 31, 2025, FRDC, R-1, MLCI, AITPI, SBRI, BIADC, AGECE, ACBMDC and BDI have not yet started commercial operations.

### ***1.3 Approval of the Consolidated Financial Statements***

The consolidated financial statements of the Group as of and for the year ended December 31, 2025 (including the comparative consolidated financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023) were authorized for issue by the Parent Company's BOD on March 12, 2026.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION**

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

## 2.1 *Basis for Preparation of Consolidated Financial Statements*

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

The consolidated financial statements of the Group as of and for the years ended December 31, 2025 and 2024, were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to 2024, 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 that 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.

- (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 as of January 1, 2024.

- (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.

The Group reclassified the presentation of certain amounts of interest income, movements in land and land development costs, advances to suppliers, and trade payables in the consolidated statements of cash flows for the years ended December 31, 2024 and 2023 to conform with the current year presentation. The effect of the reclassification is not considered material to the total cash flows from operating, investing and financing activities in the comparable periods presented.

(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.

## **2.2 Adoption of Amended PFRS Accounting Standards**

(a) *Effective in 2025 that are Relevant to the Group*

The Group adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the consolidated financial statements of the Group.

(b) *Effective Subsequent to 2025 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Group's consolidated financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to Contracts Referencing Nature-dependent Electricity* (effective from January 1, 2026)

- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iv) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027). The new standard reduces the disclosure requirements prescribed by other standards for subsidiaries without public accountability. It changes disclosure requirements prescribed by other standards as the reporting entity will instead refer to PFRS 19 for required disclosures.
- (v) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely).

### **2.3 Basis of Consolidation**

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries, after the elimination of material intercompany transactions.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

The Parent Company accounts for its investments in subsidiaries, associates, joint arrangements and non-controlling interests as follows:

#### *(i) Investments in Subsidiaries*

Subsidiaries are consolidated from the date the Company obtains control. The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

On an acquisition-by-acquisition basis, the Group recognizes any noncontrolling interest in the acquiree, either at fair value or at the noncontrolling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any noncontrolling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets acquired is recognized as goodwill.

*(ii) Investment in Associates*

Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Acquired investment in associate is subject to the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition.

*(iii) Transactions with Non-controlling Interests*

The Group's transactions with noncontrolling interests that do not result in loss of control are accounted for as equity transactions – that is, as transaction with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to noncontrolling interests result in gains and losses for the Group that are also recognized in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Parent Company holds interests in various subsidiaries and in associates as presented in Note 13.

## **2.4 Financial Instruments**

*(a) Financial Assets*

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

*Classification, Measurement and Reclassification of Financial Assets*

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

(i) *Financial Assets at Amortized Cost*

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Receivables (except Advances to suppliers), and Refundable deposits (presented as part of Other Non-current Assets account).

(ii) *Financial Assets at Fair Value Through Other Comprehensive Income*

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated unquoted equity instruments and proprietary golf club shares as Financial assets at FVOCI on initial recognition. These are presented as Financial assets at FVOCI under the Other Non-current Assets account in the consolidated statement of financial position.

(iii) *Financial Assets at Fair Value Through Profit or Loss*

Equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL significantly include equity securities and a small portion of convertible debt securities, which are held by the Group for trading purposes and designated as at FVTPL, respectively.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) *Financial Liabilities*

Financial liabilities, which include loans and borrowings, trade and other payables (except tax-related liabilities), lease liabilities, advances from and due to a related party, rental deposits and construction bond under Deposits and Advances account, are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges incurred on financial liability, except those capitalized as part of qualifying asset, are recognized as an expense under Finance Costs account in the consolidated statement of profit or loss.

(c) *Impairment of Financial Assets*

At the end of the reporting period, the Group assesses and recognizes for expected credit loss (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost. The measurement of ECL involves consideration of broader range of information that is available without undue cost or effort at the reporting date about past events, current conditions, and reasonable and supportable forecasts of future economic conditions (i.e., forward-looking information) that may affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument evaluated based on a range of possible outcomes.

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables (other than advances to and rental receivables from related parties) and other financial assets carried at amortized costs. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. The Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Group also assesses impairment of receivables such as rental and contract receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due [see Note 5.2(b)].

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

**2.5 *Land and Land Development Costs and Property Development Costs***

(a) *Land and Land Development Costs*

Land and land development costs are initially recognized at acquisition cost or cost of land reclamation and related land development costs, if the land is reclaimed.

(b) *Property Development Costs*

The costs of land, development and construction of the residential condominium projects of the Group are accumulated in the Property Development Costs account in the consolidated statement of financial position. Costs of properties and projects accounted for as Property Development Costs are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates based on the input method in the year in which these changes become known [see Note 2.10(b)].

The Group accounts for sales cancellation as a contract modification. Accordingly, the related repossessed property arising from a sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized and the cost of the repossessed property is recognized in the consolidated statement of profit or loss.

## **2.6 Property and Equipment**

Except for land stated at acquisition cost less any impairment in value, property and equipment are stated at acquisition cost or construction cost less accumulated depreciation, amortization and any impairment losses.

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

Building and improvements	30 years
Land improvements	15 years
Machinery and construction equipment	3 to 5 years
Transportation equipment	5 years
Furniture and office equipment	2 to 5 years
Other equipment	3 years

Amortization of leasehold improvements is recognized over the estimated useful lives of improvements or the term of the lease, whichever is shorter.

## **2.7 Investment Properties**

Properties held for lease under operating lease agreements and/or for capital appreciation are carried at cost less accumulated depreciation and any impairment loss except for land, which is carried at cost less any impairment in value (see Note 2.12).

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

Building and improvements	30 to 40 years
Condominium units	25 years

Construction in progress pertains to the accumulated costs of putting up the assets, additions or improvements including the applicable borrowing costs.

## **2.8 Business Combinations**

PFRS 3 requires that an entity shall determine whether a transaction or other event is a business combination. If the assets acquired are not a business, the entity shall account for the transaction as an asset acquisition. Business acquisitions are accounted for using either the acquisition method or the pooling-of-interests method, as applicable (see Note 2.3). The accounting policy for asset acquisition is more fully discussed in Note 2.9.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

## **2.9 Acquisition of Assets**

Acquisition of interest in an entity that holds investment property which does not constitute a business is accounted for as an asset acquisition (see Note 2.8). A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members and participants. Under the asset purchase accounting, the purchase costs are allocated to identifiable assets and liabilities based on relative fair values of individual items; goodwill or gain on bargain purchase is not recognized; and, transaction costs are capitalized.

## **2.10 Revenue and Expense Recognition**

Revenue comprises revenue from rentals (see Note 2.11), construction contracts, and sale of land and residential units.

The Group enters into transactions involving rentals, construction services, sale of land and condominium units, and other contracts containing performance obligations with counterparties. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c).

The Group also assesses its revenue agreements against the specific criteria enumerated below and in the succeeding pages in order to determine if it is acting as principal or agent. Both the legal form and the substance of the agreement are considered to determine each party's respective roles in the agreement. Revenue is recorded at gross when acting as a principal while only net revenues are considered if only an agency service exists.

In addition, the following specific recognition criteria must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 3.1(c)]:

- (a) *Sale of residential land* – revenue from sale of residential land is recognized when control transfers at the point in time with the buyer, that is when the Group delivered the possession and buyer accepted the property. At that point, the buyer may already use the property and the Group becomes entitled to the full amount due from the sales contract which are normally collected within one year from the contract inception date.

Payments received from buyers which do not meet the revenue recognition criteria are presented as Buyers' deposits under the Deposits and Advances account in the consolidated statement of financial position.

For tax reporting purposes, revenue on sale and cost of residential land sold are recognized in full when more than 25% of the contract price is collected within the taxable year; otherwise, revenue and cost of raw land sold are recognized based on the percentage of collections over the contract price, excluding value-added tax (VAT).

- (b) *Sale of residential units* – for financial reporting purposes, revenues from transactions covering sale of condominium units are recognized over time under the percentage-of-completion method which is in reference to input method of measuring progress of completion. The input method measures the percentage of total actual costs incurred to date relative to the total estimated costs to complete the projects.

Revenue recognized from real estate sales is presented as Residential Sales in the consolidated statement of profit or loss while the related asset or liability arising from the sale and progress of the development is presented as part of Contract Asset or Contract Liability accounts, as applicable, in the consolidated statement of financial position.

Cost of residential units sold before the completion of the projects include the acquisition cost of the land, development costs incurred to date and in accordance with the percentage-of-completion as determined based on the input method [see Note 2.5(b)].

Payments received from customers which do not meet the revenue recognition criteria are presented as Reservation deposits under the Deposits and Advances account in the consolidated statement of financial position.

For tax reporting purposes, revenue on sale and cost of residential units sold are recognized in full when more than 25% of the contract price is collected within the taxable year; otherwise, revenue and cost of residential units sold are recognized based on the percentage of collections over the contract price, excluding VAT.

In determining the transaction price, the Group adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Finance and Other Charges in the consolidated statement of profit or loss. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Finance and Other Income in the statement of comprehensive income.

The significant judgment used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(b).

Under its contracts with customers, the Company will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Company as it develops the property are presented as Contract Assets in the statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Company assesses impairment of its financial assets (see Note 2.12).

Any consideration received by the Company in excess of the amount for which the Company is entitled is presented as Contract Liabilities in the statement of financial position.

- (c) *Construction contracts* – revenue is recognized based on the percentage-of-completion determined through the input method as the construction services are provided. The stage of completion is measured on the basis of the Group’s efforts or inputs to the satisfaction of a performance obligation (i.e., resources consumed, labor hours expended, other costs incurred, etc.) relative to the total expected inputs to the satisfaction of such performance obligation. Contract costs are recognized when incurred.

Customers are invoiced based on certain milestone as work progresses, which are also due upon receipt by the customers, depending on applicable credit terms. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

There were no recognized Contract Asset or Contract Liability accounts applicable to construction contracts as of the end of the reporting periods.

Progress billings not yet paid by customers and retention are presented as part of Receivables in the consolidated statement of financial position.

- (d) *Other revenues from common use service area (CUSA)* – Other revenues arising from CUSA charges related to leasing activities are recognized over time as the Group performs the contractually agreed task. Customers are invoiced monthly as work progresses, which are also due upon receipt by the customers.

The Group assesses its revenue agreement against the specific criteria in order to determine if it is acting as a principal or an agent [see Note 3.1(m)]. Billings from common area, air conditioning and other dues are presented at gross amounts since the Group acts as a principal. Other revenues from electricity and water dues, in which the Group acts as an agent, are presented net of the related pass-through costs.

- (e) *Rendering of administrative and other services* – This is recognized on a time-and-materials basis as the services (i.e., consultancy and strategic real estate management activities) are provided to third party property owners, tenants and other counterparties within Aseana City. Customers are also invoiced monthly as work progresses, which are also due upon receipt by the customers. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

- (f) *Other revenue from water services* – The Group acts as an agent in the distribution of water to customers. Accordingly, revenue is recognized only to the extent of the fee earned for arranging the supply of water. Revenue is recognized when the related distribution services are rendered, as this is the point at which the Group satisfies its performance obligation as an agent.

Incremental costs of obtaining a contract to sell the residential units to customers are recognized as part of Contract acquisition costs under Other Current Assets and Other Non-current Assets accounts and is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. Except when the impact to the consolidated financial statements is significant for incremental costs in obtaining contracts relative to sale of residential units and other customer contracts, the Group uses the practical expedient in PFRS 15 and has expensed such costs as incurred (i.e., for construction activities and sale of land) since the expected amortization period of these costs, if capitalized, would be less than one year.

The Group also incurs costs in fulfilling contracts with customers [see Note 3.2(i)]. Any contract fulfillment assets or capitalized costs are amortized based on the transfer of goods or services the asset relates to.

Costs of rentals and other costs and operating expenses are recognized in the profit or loss upon utilization of the goods or services or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

### **2.11 Leases**

The Group accounts for its leases as follows:

#### *(a) Group as Lessee*

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

#### *(b) Group as Lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term, including any minimum rent free period therein, plus additional rent free period as mutually agreed by the contracting parties. Revenue from rentals arise from the lease of investment property comprising of land and buildings.

### **2.12 Impairment of Non-financial Assets**

The Group's investments in associates and a joint venture, property and equipment, investment properties, right-of-use assets and other non-financial assets are subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

### **2.13 Employee Benefits**

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

### 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Group's consolidated financial statements prepared in accordance with PFRS Accounting Standards 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.

#### *3.1 Critical Management Judgments in Applying Accounting Policies*

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

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

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

The factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any land improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. The Group considers the extension period as part of the lease term for a certain lease of land (as lessee) due to its enforceability that does not require mutual agreement of both parties for renewal purposes.

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

##### *(b) Determining the Existence of the Significant Financing Component in the Contract*

The Group enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Group's fulfillment of its performance obligations. The Group exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Group or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(c) *Determining the Timing of Satisfaction of Performance Obligations*

(i) *Sale of Residential Units*

The Group determined that its performance obligation to develop properties promised in its contracts with customers is satisfied over time. In making this judgment, the Group considers any asset created or enhanced as the Group performs and the ability of the customer to control such asset as it is being created or enhanced; the timing of receipt and consumption of benefits by the customer; and the Group's enforceable right for payment for performance completed to date and the alternative use of the asset created to the Group.

In determining the best method of measuring the progress of the Group's property development, management considers the input method (i.e., percentage of total costs incurred to date over the estimated costs to complete the projects) under PFRS 15.

Under this method, revenue is recognized by reference to the stage of development of the properties, i.e., revenue is recognized in the period in which the work is performed. This method faithfully depicts the transfer of goods or services because in a sale of real property, not all of the benefits are consumed by the customer until the complete satisfaction of the performance obligation.

(ii) *Sale of Residential Land*

The Group exercises critical judgment in determining whether the performance obligation to deliver and transfer the control over the land to customers is satisfied over time or at a point in time. In making this judgment, the Group considers the delivery to and acceptance by the buyer of the property as a transfer of control at specific point in time since the Group does not have a significant continuing involvement with the property sold to the buyer and the earning process is virtually complete. Further, the Group's enforceable right for payment becomes due upon transfer of control over the land.

(iii) *Construction Contracts*

The Group determined that its revenue from construction services shall be recognized over time in accordance with the percentage-of-completion method. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the construction services that create or enhance an asset that the customer controls as the asset is created or enhanced. This demonstrates that the customer obtains the benefits of the Group's rendering of construction service as it performs.

In determining the best method of measuring the progress of the Group's rendering of construction services, management considers the input method under PFRS 15 because of the direct relationship between the Group's effort, in terms of incurred labor hours and materials used, and the transfer of service to the customers.

(iv) *Water services*

Other revenues represent income arising from the provision of water services to tenants within Aseana City. The Group acts as an agent in arranging the provision of water to tenants. Accordingly, the Group recognizes revenue only for the service fees earned, which is recognized when the related water distribution services are rendered and become billable to tenants.

(d) *Determining the Transaction Price and Amounts Allocated to Performance Obligations*

The transaction price for a contract is allocated amongst the material right and other performance obligations identified in the contract based on their stand-alone selling prices, which are observable. The transaction price for a contract excludes any amounts collected on behalf of third parties (i.e., VAT).

The Group uses the practical expedient in PFRS 15 with respect to non-adjustment of the promised amount of consideration for the effects of significant financing component as the Group expects, at contract inception, that the period between the Group transfers promised assets or services to the customer and payment due date is one year or less.

(e) *Determining the ECL on Trade and Other Receivables and Contract Asset*

The Group uses a provision matrix to calculate ECL for non-related party trade and other receivables and contract asset. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by revenue stream type and, customer type and rating). The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Management determined that there is no required ECL to be recognized on its Contract Asset account since the residential units sold is collateralized to the related contract asset arising from the sale. Therefore, there is no expected loss given default as the recoverable amount from the subsequent re-sell of the residential units is sufficient.

On the other hand, the Group uses a general approach to calculate ECL for advances to related parties. The Group's management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties.

Details about the ECL on the Group's receivables and contract asset are disclosed in Note 5.2(b).

(f) *Distinguishing Investment Properties and Owner-managed Properties*

The Group determines whether a property qualifies as an investment property or owner-occupied property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the performance of the Group's construction and other activities, and its supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the construction and supply of goods and services or for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the construction or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(g) *Distinguishing Real Estate Inventories and Investment Properties*

The Group's management identifies a property as real estate inventories (property to be developed and/or eventually sold in the normal course of business) or Investment Properties (properties intended to earn rentals, capital appreciation or held for a currently undetermined future use) at the end of acquisition date following the approved plan of the Group.

The carrying amount of land and land development costs and investment properties are presented in Notes 11 and 15, respectively.

(h) *Distinguishing Operating and Finance Leases for Contracts where the Group is the Lessor*

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Management has assessed that all of its existing lease arrangements as a lessor at the end of each reporting period qualify under operating lease.

(i) *Determining Capitalization of Borrowing Costs*

The Group determines whether borrowing costs qualify for capitalization as part of the cost of the qualifying asset, or expensed outright. The accounting treatment for the borrowing costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time to get the asset ready for its intended use. Failure to make the right judgment will result in misstatement of assets and net profit (see Notes 15 and 18).

(j) *Evaluating Recognition of Provisions and Contingencies*

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

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 29.

*(k) Determining Joint Control in an Arrangement and Significant Influence over an Investee*

Judgment is exercised in determining whether the Group has joint control of an arrangement or significant influence over an entity. In assessing the Group's interest in an arrangement or influence over an entity, the Group considers voting rights, representation on the BOD or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including the terms of any contractual arrangement.

The Group's interest in AHEC is accounted for as an associate even though it holds 50% ownership interest, as the Group does not have control nor joint control, over the operating and financial policies of AHEC but has the ability to participate in policy-making decisions. Further, there is no contractually agreed sharing of control over the relevant activities of AHEC. Accordingly, management concluded that the Group has significant influence over AHEC and accounts for the investment as an associate.

*(l) Distinguishing Between Business Combination and Asset Acquisition*

The Group determines whether an acquisition of an entity constitutes a business combination or an asset acquisition. The accounting treatment for the acquisition is determined by assessing whether the transaction involved a purchase of a business taking into consideration the substance of the transaction. Further, business combinations are assessed whether they have commercial substances, especially for business combinations under common control. Failure to make the right judgment will result in misstatement of assets and other accounts that could have been affected by the transaction.

In 2024, the Group subscribed to 75.0% newly issued common shares of AWSMI. Management assessed that the acquisition of AWSMI is a combination of entities under common control that lacks commercial substance. In making the assessment, management considered the composition of the stockholders of AWSMI prior to acquisition, who are also the principal stockholders of the Group, and the purpose of the acquisition. Given this assessment, the acquisition was accounted for under the pooling-of-interest method of accounting [see Notes 1.2(z) and 2.3(b)].

On the other hand, the Group accounted for its acquisition of BRADCO in 2023 as a business combination under PFRS 3 since it represents a purchase of a "business" (see Note 13.2).

*(m) Evaluating Principal Versus Agent Consideration*

The Group exercises judgment to determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Group is a principal) or to arrange for the other party to provide those goods or services (i.e., the Group is an agent). Failure to make the right judgment will result in misstatement of revenues and expenses accounts. The Group assessed that it is only acting as an agent for utility transactions of its tenants under operating leases.

The amount of utility revenues and utility expenses, which were set-off against each other amounted to P248.0 million, P232.1 million and P131.1 million in 2025, 2024 and 2023, respectively, in the consolidated statements of profit or loss.

*(n) Determining Whether Lease Concessions Granted Constitute a Lease Modification*

The Group granted lease concessions to certain lessees as part of its business strategy, including lease payment holidays and lease payment reductions. These concessions were intended to support tenant retention, optimize occupancy levels, and align lease arrangements with prevailing market conditions.

In making this judgment, the Group determines whether the lease concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees qualify as lease modifications since the terms and conditions under the corresponding lease contracts have been modified by the waiver.

### **3.2 Key Sources of Estimation Uncertainty**

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

*(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

*(b) Estimating Useful Lives of Property and Equipment, Investment Properties and Right-of-use Assets*

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

The carrying amounts of property and equipment, investment properties and right-of-use assets are analyzed in Notes 14, 15 and 16, respectively. Based on management's assessment, there is no change in the estimated useful lives of those assets in 2025 and 2024. Actual results, however, may vary due to changes in estimates brought about by changes in factors as aforementioned.

(c) *Determining Net Realizable Value of Land and Land Development Costs*

In determining the net realizable value of land and land development costs, management takes into account the most reliable evidence such as the comparable price of recent sale of adjacent properties and appraisal of the asset available at the time the estimate is made. Changes in the sources of estimation may cause significant adjustments to the carrying amount of the Group's land and land development costs within the next reporting period.

As indicated in Note 11, management assessed that the net realizable values of its land and land development costs is higher than its cost; hence, those assets are carried at cost as of the end of the reporting periods.

(d) *Determining Net Realizable Value of Property Development Costs*

In determining the net realizable value of property development costs, management takes into account the most reliable evidence available at the time the estimates are made. The future realization of the carrying amounts of property development costs is affected by price changes for the cost to complete, and upon completion, the selling prices in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the carrying amounts of the Group's property development costs within the next reporting period.

As more fully discussed in Note 10, management assessed that the net realizable values of its property development costs is higher than its cost; hence, those assets are carried at cost as of the end of the reporting periods.

(e) *Determining Principal Assumptions for Management's Estimation of Fair Value of Investment Properties*

Investment properties are measured using the cost model, however, the financial reporting standard requires the disclosure of its fair value. In determining the fair value of these assets, the Group engaged the services of professional and independent appraisers applying the relevant valuation methodologies. The fair value disclosed in the consolidated financial statements is determined using the:

- Market approach for land based on information on current or recent transaction prices for 2025 and 2024; and,
- Cost approach based on consideration of the cost to reproduce or replace the buildings and improvements to its service capacity in accordance with current market prices for similar assets less depreciation for 2025 and 2024.

The Group determined that the cost approach for buildings and improvements more appropriately reflects the highest and best use of the property based on market conditions and development. The Group consistently uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The fair values of investment properties as of December 31, 2025 and 2024 are disclosed in Note 15 while the relevant valuation methodology and fair value hierarchy are disclosed in Note 7.4.

(f) *Estimating Probability of Collection for Revenue Recognition*

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment patterns of customers and number of sales cancellations in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyers' continuing commitment and the probability that economic benefits will flow to the Group.

The Group considers the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price. Management considers that when collections received from buyers exceed a defined threshold, the risk of contract cancellation becomes remote. Accordingly, the Group will not recognize the whole contract and no revenue will be recognized when the collection threshold is not yet reached.

The related revenues recognized by the Group are presented as Construction contracts, Residential sales and Sale of land under the Revenues account in the consolidated statements of profit or loss.

(g) *Determining Percentage-of-Completion for Real Estate Transactions*

In determining the amount of revenue to be recognized for real estate transactions involving residential properties wherein performance obligations are satisfied over time, the Group measures progress based on the input method that measures the percentage of total costs incurred to date over the estimated costs to complete the projects. The Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and applies changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

In 2025, the Group evaluated its estimate of the total property development costs of the MidPark Residences as the project neared completion and more reliable information on actual and committed costs became available. Based on this valuation, management revised its estimate of the total development costs. The change was accounted for as a change in accounting estimate and applied prospectively. The revision resulted in an increase in profit recognized for the year amounting to P175.0 million (see Note 10). The change in estimate is expected to affect profit or loss in succeeding periods as remaining development costs are recognized and sold units are completed. The effect on future periods is estimated at approximately P60.4 million, based on units remaining to be recognized as of December 31, 2025.

The Group recognized revenues from residential sales amounting to P499.0 million, P385.5 million and P1,356.9 million in 2025, 2024, and 2023, respectively, and is presented as Residential sales under Revenues account in the consolidated statements of profit or loss (see Note 4.6).

(b) *Determining Percentage-of-Completion for Construction Contracts*

The Group also recognizes its revenue from construction contracts based on percentage-of-completion method of the project whereby the performance obligations are satisfied over time. The Group's application of the percentage-of-completion method is based on its efforts or inputs (i.e., actual costs incurred) to the satisfaction of a performance obligation relative to the total expected construction costs. Review of the benchmarks set by management necessary for the determination of percentage-of-completion is done regularly. Actual data is being compared to the related benchmarks and critical judgment is exercised to assess the reliability of the percentage of completion procedures which are currently in place and make the necessary revisions in the light of current progress.

(i) *Determining the Amount of Costs Incurred to Obtain or Fulfill a Contract with Customers*

In determining the amount of costs to obtain a contract that should be capitalized, the Group identifies those costs that would have not been incurred if the contract had not been obtained. The carrying amount, net of subsequent amortization, of costs incurred to obtain the contracts with customers (or counterparties) relating to the sale of residential units is presented as part of Contract acquisition costs under Other Current Assets account in the consolidated statements of financial position as the related project which they relate to is expected to be completed in the next reporting period (see Notes 6 and 12).

For the costs incurred in fulfilling a contract, the Group recognizes an asset only if those costs related directly to a contract or to an anticipated contract can be specifically identified; those costs generate or enhance the Group's resources that will be used in satisfying performance obligation in the future; and, the Group expects those costs to be recovered.

(j) *Estimating Allowance for ECL*

The measurement of the allowance for ECL is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers/counterparties defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 5.2(b).

Based on management's assessment, the outstanding balances of receivables, net of outstanding allowance, and contract asset as of December 31, 2025 and 2024 are fully collectible (see Notes 9 and 10).

(k) *Determining the Fair Value of Financial Instruments*

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's financial assets at FVTPL and FVOCI and the amounts of fair value changes recognized on those assets are disclosed in Notes 12 and 17.2, respectively.

(l) *Determining Realizable Amount of Deferred Tax Assets*

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Management assessed that the deferred tax assets as of December 31, 2025 and 2024, will be fully utilized as it is expecting sufficient taxable profits against which the deferred tax assets can be applied (see Note 25).

(m) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's evaluation, there are no impairment losses required to be recognized on the Group's non-financial assets in 2025, 2024 and 2023.

(n) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions are described in Note 24.2 and include, among others, discount rates and expected rates of salary increases. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period. The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used on estimating such obligation are presented in Note 24.2.

(o) *Determining the Fair Value of Net Assets Acquired in a Business Combination*

Under PFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Judgment is exercised by management to determine the valuation technique and related assumptions in measuring the fair value of net assets of BRADCO (see Note 13.2). The discounted cash flow under income approach was used by management's expert to determine the fair value of net assets.

#### 4. SEGMENT REPORTING

##### 4.1 *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) *Leasing* – 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) *Residential* – involves the development and sale of residential units and land.

##### 4.2 *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.

##### 4.3 *Intersegment Transactions*

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

#### 4.4 Analysis of Segment Information

Segment information is analyzed as follows for the years ended December 31, 2025, 2024 and 2023 (in thousands Philippine Peso):

	Leasing			Construction			Residential			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
<b>REVENUES</b>												
Revenue from external customers	3,287,950	3,303,127	2,588,284	1,707	7,111	153,790	499,045	385,484	1,356,887	3,788,702	3,695,722	4,098,961
Intersegment sales	214,293	182,755	245,355	13,970	15,887	16,647	-	-	-	228,263	198,642	262,002
Total revenues	<u>3,502,243</u>	<u>3,485,882</u>	<u>2,833,639</u>	<u>15,677</u>	<u>22,998</u>	<u>170,437</u>	<u>499,045</u>	<u>385,484</u>	<u>1,356,887</u>	<u>4,016,965</u>	<u>3,894,364</u>	<u>4,360,963</u>
<b>COSTS AND OTHER OPERATING EXPENSES</b>												
Cost of sales and services excluding depreciation and amortization	390,840	325,119	268,928	566	3,467	103,526	82,728	111,434	577,739	474,134	440,020	950,193
Depreciation and amortization	349,619	340,950	218,149	-	-	965	-	-	-	349,619	340,950	219,114
Other expenses (income) - net	250,840	157,865	229,671	5,143	2,720	6,942	(42,456)	(42,492)	37,365	213,527	118,093	273,978
	<u>991,299</u>	<u>823,934</u>	<u>716,748</u>	<u>5,709</u>	<u>6,187</u>	<u>111,433</u>	<u>40,272</u>	<u>68,942</u>	<u>615,104</u>	<u>1,037,280</u>	<u>899,063</u>	<u>1,443,285</u>
<b>INTEREST EXPENSE ON LEASE LIABILITIES</b>	42,471	41,181	41,187	-	-	-	-	-	-	42,471	41,181	41,187
<b>SEGMENT OPERATING PROFIT (after interest expense on lease liabilities)</b>	<u>2,468,473</u>	<u>2,620,767</u>	<u>2,075,704</u>	<u>9,968</u>	<u>16,811</u>	<u>59,004</u>	<u>458,773</u>	<u>316,542</u>	<u>741,783</u>	<u>2,937,214</u>	<u>2,954,120</u>	<u>2,876,491</u>

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

	Leasing		Construction		Residential		Total	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities
December 31, 2025	36,578,054	13,607,698	5,001,807	386,455	20,489,166	3,404,669	62,069,027	17,398,822
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.

In 2025, 2024 and 2023, rental revenues from a single external lessee accounted for 19.24%, 20.01%, and 17.91%, respectively, or P734.2 million each year, of the Group's consolidated revenues. These revenues were generated from the Rentals segment.

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

#### 4.5 Reconciliations

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

<i>(Amounts in thousands PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>			
Total revenues of reportable segments	<b>4,016,965</b>	3,894,365	4,360,963
Intersegment revenue eliminations	<b>(228,263)</b>	(198,642)	(262,002)
Total segment revenue from external customers	<b>3,788,702</b>	3,695,723	4,098,961
Unallocated revenue <sup>(a)</sup>	<b>27,130</b>	-	-
Revenues as reported in the consolidated statements of profit or loss	<b><u>3,815,832</u></b>	<u>3,695,723</u>	<u>4,098,961</u>
<b>Profit or loss</b>			
Segment operating profit (after interest expense on lease liabilities)	<b>2,937,214</b>	2,954,120	2,876,491
Elimination of intersegment revenues	<b>(228,263)</b>	(198,641)	(262,002)
Unallocated revenue <sup>(a)</sup>	<b>27,130</b>	-	-
Other unallocated operating income (expenses) – net <sup>(b)</sup>	<b>(326,460)</b>	(108,572)	(478,634)
Other unallocated income (charges):			
Finance income	<b>229,424</b>	239,335	145,115
Finance costs	<b>(194,848)</b>	(220,989)	(60,008)
Share in net earnings of associates and joint ventures	<b>(55)</b>	(373)	11,206
Dividend income	-	1,728	2,940
Other income <sup>(c)</sup>	-	-	5,613,608
Profit before tax as reported in the consolidated statements of profit or loss	<b><u>2,444,142</u></b>	<u>2,666,608</u>	<u>7,848,716</u>

<sup>(a)</sup> Unallocated revenue represents revenue from operating activities that are not significant individually and therefore are not presented as separate reportable segments in accordance with PFRS 8 – Operating Segments.

<sup>(b)</sup> 2024 other unallocated operating income (expenses) – net includes gain amounting to P276.8 million arising from recognizing a permanent improvement [see Note 15(a)]. There was no similar transaction in 2025 and 2023.

<sup>(c)</sup> Other income pertains to the gain on remeasurement of previously-held equity interest in BRADCO resulting from the acquisition of additional ownership interest.

<i>(Amounts in thousands PHP)</i>	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Segment assets	62,069,027	60,950,392
Deferred tax assets - net	776	776
Other unallocated assets <sup>(d)</sup>	7,788,084	7,769,364
Elimination of intercompany accounts	<u>(14,814,815)</u>	<u>(14,979,544)</u>
Total assets reported in consolidated statements of financial position	<u>55,043,072</u>	<u>53,740,988</u>
<b>Liabilities</b>		
Segment liabilities	17,398,822	17,893,085
Deferred tax liabilities - net	1,401,358	1,330,989
Other unallocated liabilities <sup>(d)</sup>	660,710	660,289
Elimination of intercompany accounts	<u>(6,404,697)</u>	<u>(6,525,126)</u>
Total liabilities as reported in consolidated statements of financial position	<u>13,056,193</u>	<u>13,359,237</u>

<sup>(d)</sup> Other unallocated assets and liabilities mostly pertain to intercompany advances to and/or from related parties not eliminated in the consolidation.

#### ***4.6 Disaggregation of Revenue from Contracts with Customers and Other Counterparties***

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Notes 4.1 and 4.4.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties [except for rentals accounted for under PFRS 16 and disclosed herein as additional information] into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. A summary of additional disaggregation from the segment revenues and other unallocated revenue are shown on the succeeding page.

<i>(Amounts in thousands PHP)</i>	Segment Revenues (Sales to External Customers)				Unallocated Revenue	Total
	Rentals and others	Construction	Residential	Total		
<b>December 31, 2025:</b>						
Lease	2,733,567	-	-	2,733,567	-	2,733,567
Over time	<u>554,383</u>	<u>1,707</u>	<u>499,045</u>	<u>1,055,135</u>	<u>27,130</u>	<u>1,082,265</u>
Total	<u>3,287,950</u>	<u>1,707</u>	<u>499,045</u>	<u>3,788,702</u>	<u>27,130</u>	<u>3,815,832</u>
Short-term	-	1,707	-	1,707	27,130	28,837
Long-term	<u>3,287,950</u>	<u>-</u>	<u>499,045</u>	<u>3,786,995</u>	<u>-</u>	<u>3,786,995</u>
Total	<u>3,287,950</u>	<u>1,707</u>	<u>499,045</u>	<u>3,788,702</u>	<u>27,130</u>	<u>3,815,832</u>
<b>December 31, 2024:</b>						
Lease	2,774,353	-	-	2,774,353	-	2,774,353
Over time	<u>528,805</u>	<u>7,111</u>	<u>385,454</u>	<u>921,370</u>	<u>-</u>	<u>921,370</u>
Total	<u>3,303,158</u>	<u>7,111</u>	<u>385,454</u>	<u>3,695,723</u>	<u>-</u>	<u>3,695,723</u>
Short-term	-	7,111	-	7,111	-	7,111
Long-term	<u>3,303,158</u>	<u>-</u>	<u>385,454</u>	<u>3,688,612</u>	<u>-</u>	<u>3,688,612</u>
Total	<u>3,303,158</u>	<u>7,111</u>	<u>385,454</u>	<u>3,695,723</u>	<u>-</u>	<u>3,695,723</u>
<b>December 31, 2023:</b>						
Lease	2,263,681	-	-	2,263,681	-	2,263,681
Over time	<u>324,603</u>	<u>153,790</u>	<u>1,356,887</u>	<u>1,835,280</u>	<u>-</u>	<u>1,835,280</u>
Total	<u>2,588,284</u>	<u>153,790</u>	<u>1,356,887</u>	<u>4,098,961</u>	<u>-</u>	<u>4,098,961</u>
Short-term	-	153,790	-	153,790	-	153,790
Long-term	<u>2,588,284</u>	<u>-</u>	<u>1,356,887</u>	<u>3,945,171</u>	<u>-</u>	<u>3,945,171</u>
Total	<u>2,588,284</u>	<u>153,790</u>	<u>1,356,887</u>	<u>4,098,961</u>	<u>-</u>	<u>4,098,961</u>

Unallocated revenues pertain to revenue arising from water services [see Note 10(f)].

## 5. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's financial assets and financial liabilities by category are summarized in Note 6. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is in close cooperation with the BOD, and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

### 5.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating and financing activities.

(a) *Foreign Currency Risk*

Most of the Group's transactions are carried out in Philippine peso, its functional currency. The Group also holds United States (USD) dollar and Euro (EUR) denominated cash and cash equivalents. The Group does not have any financial liabilities denominated in foreign currency.

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored. As of December 31, 2025 and 2024, USD denominated cash and cash equivalents, translated into Philippine pesos at the closing rate, amounted to P8.6 million and P4.9 million, respectively, while Euro denominated cash and cash equivalents, translated into Philippine pesos at the closing rate amounted to P8.8 million and P8.6 million, as of December 31, 2025 and 2024, respectively.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency denominated transactions. The Group considers foreign currency risk as insignificant as the outstanding balances in foreign currency are not material.

(b) *Interest Rate Risk*

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at December 31, 2025 and 2024, the Group is exposed to changes in market interest rates affecting the cash flows from cash and cash equivalents and certain interest-bearing loans and borrowings which are subject to variable interest rates (see Notes 8 and 18). All other financial assets and financial liabilities have fixed rates or are noninterest-bearing.

Interest-bearing loans and borrowings, cash and cash equivalents which are subject to repricing are tested on a reasonably possible change (weighted average) of +/-0.68% and +/-0.59% Philippine peso in 2025 and 2024, respectively. On the other hand, the Group's exposure to foreign currency interest rate is insignificant. The percentages have been determined based on the average market volatility of interest rates, using standard deviation, in the previous 12 months estimated at 99% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at the end of each reporting period, with the effect estimated from the beginning of the year. All other variables are held constant.

The changes in percentages would affect profit or loss before tax by +/-P11.5 million and +/-P6.2 million in 2025 and 2024, respectively.

(c) *Other Price Risk*

The Group's market price risk arises from its investments carried at fair value. The Group manages exposures to price risk by monitoring the changes in the market price of the investments (see Note 7.2) and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

## 5.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, arising from granting loans and receivables to customers, including related parties, and placing deposits with banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of revenues, advance payments are received to mitigate credit risk.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position and in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

<i>(Amounts in PHP)</i>	Notes	2025	2024
Cash and cash equivalents	8	<b>4,571,850,964</b>	4,631,655,073
Receivables - net <i>(except for Advances to suppliers and Advances to officers and employees)</i>	9	<b>9,550,073,255</b>	8,566,322,583
Contract asset	10	<b>1,641,231,423</b>	1,706,603,706
Refundable deposits <i>(presented as part of Other Current and Non-current Assets)</i>	17	<b>85,454,443</b>	81,434,079
		<b>15,848,610,085</b>	14,986,015,441

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, rental receivables and contract receivables as described below and in the succeeding pages.

### *(a) Cash and Cash Equivalents*

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million for every depositor per banking institution, as provided for under Republic Act (R.A.) No. 9302, *Charter of Philippine Deposit Insurance Corporation*, which is also subjected to credit risk.

### *(b) Trade and Other Receivables and Contract Asset*

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all non-related party receivables and contract asset.

To measure the expected credit losses, receivables and contract asset have been grouped based on shared credit risk characteristics and the days past due (age buckets). Other receivables relate to receivables from both third parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

The expected loss rates are based on the payment profiles of revenues over a period of 36 months before December 31, 2025 and 2024, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified interest rates as the most relevant factor during the reporting periods, and accordingly adjusts the historical loss rates based on expected changes in these factors.

ECL for advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Management assessed that portion of the outstanding receivables from certain related parties as of December 31, 2025 and 2024 are not fully recoverable since these related parties do not have enough capacity to pay the advances and loans upon demand.

The Group has not identified any significant risks in the remaining advances to related parties since the Parent Company, whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of the its long-term corporate strategy.

The Group identifies a default when the receivables become credit impaired or when the customer has not been able to settle the receivables beyond the normal credit terms of 45 to 90 days, depending on the terms with the customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

A large portion of the Group's receivables pertains to rental receivables from leasing operations to third parties, advances to related parties which are secured by an undertaking of another related party to pay in case of default, and contract receivables from the Philippine Reclamation Authority (PRA) related to various implementing agreements under the memorandum of agreement (MOA) entered into by the Group in relation to the reclamation and development of Aseana Business Park (ABP), which is also part of the Aseana City (see Notes 9.1, 9.2, 9.3 and 9.4). On July 15, 2015, the PRA's BOD approved the conveyance of certain properties to the Group in settlement of PRA's liabilities related to various implementing agreements entered into with the Group. As of December 31, 2025, the title to the properties are not yet transferred to the Group. Except for rental receivables from various and diversified profile of third party tenants, this makes the Group exposed to significant credit risk exposure to a single group of counterparties having similar characteristics.

The Group's rental receivables are secured to the extent of advance rentals and security deposits received from lessees. Further, in case of delay in collection of rentals from lessees, the Group imposes penalties pursuant to its standard lease agreements.

The Contract Asset account is secured to the extent of the fair value of the residential units sold (i.e., based on current prices less estimated cost to sell) since the title to the real estate properties remains with the Group until the contract assets are fully collected. Credit risk related to the aforementioned is mitigated by the Group's ability to repossess and resell the underlying property in accordance with contract terms and applicable laws. Management considers this recovery mechanism, together with historical cancellation and collection experience, in estimating expected credit losses.

With respect to refundable deposits, management assessed that these financial assets have low probability of default since these relate to reputable power and water distribution companies (i.e., with high quality external credit ratings) that sustain the operation of Aseana City and other related projects.

The estimated fair value of collaterals held against contract asset and rental receivables are presented below.

<i>(Amounts in PHP)</i>	<b>Gross Maximum Exposure</b>	<b>Fair Value of Collaterals</b>	<b>Net Exposure</b>
<b>December 31, 2025</b>			
Contract asset	1,641,231,423	2,524,634,947	-
Rental receivables <i>(excluding rental receivables arising from PFRS 16 adjustments)</i>	<u>423,436,326</u>	<u>914,910,526</u>	<u>-</u>
	<b><u>2,064,667,749</u></b>	<b><u>3,439,545,473</u></b>	<b><u>-</u></b>
<b>December 31, 2024</b>			
Contract asset	1,706,603,706	2,950,090,327	-
Rental receivables <i>(excluding rental receivables arising from PFRS 16 adjustments)</i>	<u>282,279,908</u>	<u>1,044,198,821</u>	<u>-</u>
	<b><u>1,988,883,614</u></b>	<b><u>3,994,289,148</u></b>	<b><u>-</u></b>

Based on the foregoing considerations and analyses, the loss allowance as at December 31, 2025 and 2024 for non-related party receivables was determined based on months past due while loss allowance for related party receivables is based on capacity to pay. The loss allowance provided by the Group are summarized as follows:

<i>(Amounts in PHP)</i>	<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90 days</u>	<u>Total</u>
<b>December 31, 2025</b>					
<i>Expected credit loss rate</i>	0%	0%	25.00%	34.00%	3.14%
Rental and other receivables	206,612,796	361,069,191	27,402,390	39,578,273	634,662,650
Loss allowance	-	-	6,850,598	13,107,829	19,958,427
<i>Expected credit loss rate</i>	0%	0%	0%	4.10%	4.10%
Contract and retention receivable	-	-	-	561,713,216	561,713,216
Loss allowance	-	-	-	23,033,888	23,033,888
<i>Expected credit loss rate</i>	0%	0%	0%	100%	1.10%
Advances to related parties	751,933,772	-	-	23,243,275	775,177,047
Loss allowance	-	-	-	23,243,275	23,243,275
<b>December 31, 2024</b>					
<i>Expected credit loss rate</i>	0%	0%	24.84%	32.86%	14.07%
Rental and other receivables	131,349,647	436,077,971	29,871,957	37,338,040	634,637,615
Loss allowance	-	267,585	7,420,194	12,270,648	19,958,427
<i>Expected credit loss rate</i>	0%	0%	0%	4.21%	4.21%
Contract and retention receivable	-	-	-	544,111,224	544,111,224
Loss allowance	-	-	-	23,033,888	23,033,888
<i>Expected credit loss rate</i>	0%	0%	0%	100%	2.51%
Advances to related parties	733,023,583	-	-	18,870,805	751,894,388
Loss allowance	-	-	-	18,870,805	18,870,805

A reconciliation of the allowance for impairment for trade and receivables and advances to related parties as at December 31, 2025 and 2024 is presented below (see Note 9):

<i>(Amounts in PHP)</i>	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Trade and other receivables*</u>	<u>Advances to related parties</u>	<u>Trade and other receivables*</u>	<u>Advances to related parties</u>
Balance at beginning of year	42,992,315	18,870,805	56,122,282	25,410,843
Additional ECL	-	4,372,470	-	-
Reversal	-	-	(13,129,967)	(6,540,038)
Balance at end of year	<u>42,992,315</u>	<u>23,243,275</u>	<u>42,992,315</u>	<u>18,870,805</u>

\*Excluding advances to related parties

The additional ECL in 2025 is presented as part of Impairment loss under General and Administrative Expenses in the consolidated statements of profit or loss while the reversal of impairment loss on financial assets, net of direct write off in 2024, is presented as Reversal of impairment loss on financial assets – net (see Notes 22.3 and 23).

### 5.3 Liquidity Risk

Liquidity risk is the risk that cash may not be available to meet operating requirements and to pay obligations when due at a reasonable cost. Prudent liquidity risk management requires maintaining sufficient cash and credit facilities at reasonable cost to satisfy current requirements whenever the need arises. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

As of December 31, 2025 and 2024, the Group's financial liabilities (excluding lease liabilities – see Note 16) have contractual maturities as follows:

<i>(Amounts in PHP)</i>	Notes	Current		Non-current
		Upon Demand/ Within 6 months	6 to 12 Months	1 to 5 Years
<b><u>December 31, 2025</u></b>				
Loans and borrowings	18	335,830,532	488,941,656	2,517,479,507
Trade and other payables <i>(except tax liabilities)</i>	19	1,040,524,637	940,614,471	-
Advances from and due to related parties	26.2	3,521,622,188	-	-
Rental deposits	20	-	243,258,752	407,475,720
Construction bond	20	-	20,067,712	-
		<b><u>4,897,977,357</u></b>	<b><u>1,692,882,591</u></b>	<b><u>2,924,955,227</u></b>
 <b><u>December 31, 2024</u></b>				
Loans and borrowings	18	106,715,005	334,764,647	2,816,473,340
Trade and other payables <i>(except tax liabilities)</i>	19	1,025,937,627	1,243,533,873	-
Advances from and due to related parties	26.2	3,607,777,570	-	-
Rental deposits	20	-	255,049,951	484,767,983
Construction bond	20	-	49,189,050	-
		<b><u>4,740,430,202</u></b>	<b><u>1,882,537,521</u></b>	<b><u>3,301,241,323</u></b>

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting periods.

#### **5.4 Concentration risks**

The Group is subject to risk incidental to the operation of its investment properties, which include among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from lessees due to bankruptcy or insolvency of lessees. A significant portion of the Group's rental income is derived from a single counterparty and these properties are leased long-term for administrative purpose (see Note 4.4). Failure of the Group to renew the contract or collect from the lessee may significantly impact the Group's consolidated financial statements.

To mitigate these risks, the Group requires security deposits equivalent to a certain number of months of rent. The existing lease term is also for 45 years, with stipulated escalation clauses yearly to cover fluctuations of market prices. Additionally, the Group's subject investment properties are situated in favorable prime locations which are optimal for their lessee's core operations, including supply chain management.

## 6. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### 6.1 Carrying Values and Fair Values by Category

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

<i>(Amounts in PHP)</i>		2025		2024	
		Notes	Carrying Values	Fair Values	Carrying Values
<b>Financial Assets</b>					
<i>At amortized cost:</i>					
Cash and					
cash equivalents	8	4,571,850,964	4,571,850,964	4,631,655,073	4,631,655,073
Receivables - net	9	9,519,630,449	9,519,630,449	8,566,322,583	8,566,322,583
Refundable					
deposits	17	85,454,443	85,454,443	81,434,079	81,434,079
		<u>14,176,935,856</u>	<u>14,176,935,856</u>	<u>13,279,411,735</u>	<u>13,279,411,735</u>
<i>At FVTPL</i>	12	10,453,418	10,453,418	10,453,418	10,453,418
<i>At FVOCI</i>	17.2	41,385,562	41,385,562	41,993,830	41,993,830
		<u>14,228,774,836</u>	<u>14,228,774,836</u>	<u>13,331,858,983</u>	<u>13,331,858,983</u>
<b>Financial Liabilities</b>					
<i>At amortized cost:</i>					
Loans and					
borrowings	18	3,185,416,666	3,120,155,551	2,864,833,333	2,728,412,698
Trade and other					
payables	19	1,981,136,108	1,981,136,108	2,269,471,500	2,269,471,500
Advances from					
and due to					
related parties	26.2	3,521,622,188	3,521,622,188	3,607,777,570	3,607,777,570
Rental deposits	20	650,734,472	650,734,472	739,817,934	739,817,934
Construction bond	20	20,067,712	20,067,712	49,189,050	49,189,050
Lease liabilities	16.2	536,217,272	536,217,272	525,731,881	525,731,881
		<u>9,895,194,418</u>	<u>9,829,933,303</u>	<u>10,056,821,268</u>	<u>9,920,400,633</u>

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 5.

### 6.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set-off financial instruments as of December 31, 2025 and 2024. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) may have the option to settle all such amounts on a net basis in the event of default of the other party through approval of both parties' BODs and stockholders or upon instruction by the Ultimate Parent Company.

Advances to related parties under Receivables account in the consolidated statements of financial position can be offset by the amount of outstanding Advances from and Due to a Related Parties account.

For rental receivables and security deposits, each party of the lease agreement will have the option to settle such amount on a net basis in the event of default of the other party.

For loans and borrowings and related bank deposits maintained with the same bank, the Group has contractual arrangements that provide the bank with the right to offset deposit balances against outstanding loan obligations in the event of default or other specified circumstances.

<i>(Amounts in PHP)</i>	Notes	Gross amounts recognized in the consolidated statements of financial position	Related amounts not set off in the consolidated statements of financial position	Net amount
Advances to related parties:	26.1			
<b>December 31, 2025</b>		775,177,047	(471,585,396)	303,591,651
December 31, 2024		751,919,796	(438,256,919)	313,662,877
Advances from and due to related parties:	26.2			
<b>December 31, 2025</b>		3,521,622,188	(471,585,396)	3,050,036,792
December 31, 2024		3,607,777,568	(438,256,919)	3,169,520,649
Rental receivables:	9.1, 20			
<b>December 31, 2025</b>		142,542,184	(142,542,184)	-
December 31, 2024		282,279,908	(282,279,908)	-
Security deposits:	9.1, 20			
<b>December 31, 2025</b>		565,128,522	(142,542,184)	422,586,338
December 31, 2024		671,058,839	(282,279,908)	388,778,931
Cash in banks:	8, 18			
<b>December 31, 2025</b>		306,508,845	(306,508,845)	-
December 31, 2024		622,986,688	(622,986,688)	-
Loans and borrowings:	8, 18			
<b>December 31, 2025</b>		3,185,416,666	(306,508,845)	2,878,907,821
December 31, 2024		2,864,833,333	(622,986,688)	2,241,846,645

## 7. FAIR VALUE MEASUREMENT AND DISCLOSURES

### 7.1 Fair Value Hierarchy

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

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

The level within which 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 does 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.

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

The Group's financial assets at 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 regular trading activities among market participants at the end or close to the end of the reporting period. Moreover, the 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 net asset value approach by reference to the fair value of its assets and liabilities.

With respect to financial assets at FVTPL which include investments in equity securities, these are categorized under Level 1 as their prices are quoted in active market. On the other hand, the debt security issued by a private company is not quoted in an active market, hence, the fair value is determined in reference to the current market value of another instrument which is substantially the same after taking into account the related risk of counterparties. The debt security is included in Level 2.

As of December 31, 2025 and 2024, the Group's financial assets at FVOCI measured at fair value amounted to P41.4 million and P42.0 million, respectively (see Note 17.3) while the Group's financial assets at FVTPL measured at fair value amounted to P10.5 million in both years (see Note 12).

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

There were no transfers between Levels 1 and 2 but there were changes in the carrying amount of Level 3 instruments in both years. Unrealized fair value loss amounting to P0.6 million and P1.0 million, respectively, is recognized on financial assets at FVOCI in 2025 and 2024 (see Note 17.3).

### 7.3 *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 consolidated statements of financial position but for which fair value is disclosed.

		<b>December 31, 2025</b>			
<i>(Amounts in PHP)</i>	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and					
cash equivalents	8	4,571,850,964	-	-	4,571,850,964
Receivables - net	9	-	-	9,519,630,449	9,519,630,449
Refundable deposits	17	-	-	85,454,443	85,454,443
		<b>4,571,850,964</b>	<b>-</b>	<b>9,605,084,892</b>	<b>14,176,935,856</b>
<b>Financial Liabilities</b>					
Loans and borrowings	18	-	-	3,120,155,551	3,120,155,551
Trade and other payables	19	-	-	1,981,136,108	1,981,136,108
Advances from and due to related parties	26.2	-	-	3,521,622,188	3,521,622,188
Rental deposits	20	-	-	650,734,472	650,734,472
Construction bond	20	-	-	20,067,712	20,067,712
Lease liabilities	16.2	-	-	536,217,272	536,217,272
		<b>-</b>	<b>-</b>	<b>9,829,933,303</b>	<b>9,829,933,303</b>
		<b>December 31, 2024</b>			
<i>(Amounts in PHP)</i>	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and					
cash equivalents	8	4,631,655,073	-	-	4,631,655,073
Receivables - net	9	-	-	8,566,322,583	8,566,322,583
Refundable deposits	17	-	-	81,434,079	81,434,079
		<b>4,631,655,073</b>	<b>-</b>	<b>8,647,756,662</b>	<b>13,279,411,735</b>
<b>Financial Liabilities</b>					
Loans and borrowings	18	-	-	2,728,412,698	2,728,412,698
Trade and other payables	19	-	-	2,269,471,500	2,269,471,500
Advances from and due to related parties	26.2	-	-	3,607,777,570	3,607,777,570
Rental deposits	20	-	-	739,817,934	739,817,934
Construction bond	20	-	-	49,189,050	49,189,050
Lease liabilities	16.2	-	-	525,731,881	525,731,881
		<b>-</b>	<b>-</b>	<b>9,920,400,633</b>	<b>9,920,400,633</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.

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

The table shows the levels within the hierarchy of non-financial assets that are not measured at fair value but for which fair values are disclosed.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>December 31, 2025</b>					
Land		-	161,305,319,705	-	161,305,319,705
Buildings and improvements		-	-	22,429,446,000	22,429,446,000
Construction in progress		-	-	780,223,000	780,223,000
	15	-	161,305,319,705	23,209,669,000	184,514,988,705
<b>December 31, 2024</b>					
Land		-	154,557,444,889	-	154,557,444,889
Buildings and improvements		-	-	20,466,784,449	20,466,784,449
Construction in progress		-	-	502,654,013	502,654,013
	15	-	154,557,444,889	20,969,438,462	175,526,883,351

The fair value of the Group's investment properties as of December 31, 2025 and 2024 are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and relevant 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.

There has been no change to the valuation techniques used by the Group during the year for its investment properties. Also, there were no transfers into or out of Level 2 and Level 3 fair value hierarchy in 2025 and 2024.

The fair values of the Group's investment properties were determined based on the following approaches:

(a) *Fair Value Measurement for Land*

The Level 2 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations as determined by an independent appraiser. Under this approach, when sales prices and/or actual sales transaction of comparable land in close proximity are used in the valuation of the subject property with no adjustment on the price, fair value is included in Level 2.

The fair value is determined by the Group using the fair values of certain parcels of land adjacent to the location of the Group's investment. The fair value is based on the market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date. Such amount is influenced by different factors including the location and specific characteristics of the property (e.g., size, features, and capacity), quantity of comparable properties available in the market, and economic condition and behavior of the buying parties.

(b) *Fair Value Measurement for Buildings and Improvements and Construction in Progress*

As of December 31, 2025 and 2024, the Level 3 fair value of the buildings and improvements was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties. Based on the foregoing inputs, the actual cost incurred to date recorded under Construction in Progress approximates its fair value.

## 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Cash on hand and in banks	<b>1,454,790,234</b>	1,853,681,635
Short-term placements	<b><u>3,117,060,730</u></b>	<u>2,777,973,438</u>
	<b><u>4,571,850,964</u></b>	<u>4,631,655,073</u>

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 5.25% to 6.50% per annum in 2025 and 2023, from 5.20% to 6.13% per annum in 2024. Interest income from cash in banks and short-term placements amounting to P177.8 million, P145.4 million and P145.1 million in 2025, 2024 and 2023, respectively, are presented as Interest income under Finance Income in the consolidated statements of profit or loss (see Note 22.2). Accrued interest from short-term placements is presented as part of Others under Receivables account in the consolidated statements of financial position (see Note 9).

## 9. RECEIVABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2025	2024
Current:			
Rental receivables	9.1	<b>2,307,344,005</b>	1,917,430,408
Advances to:	9.2		
Related parties	26.1	<b>775,177,047</b>	751,894,388
Suppliers		<b>181,240,637</b>	246,255,917
Officers and employees		<b>14,366,008</b>	14,661,436
Contract receivables	9.3, 26.5	<b>559,680,500</b>	544,111,224
Retention receivables	9.4	<b>2,032,716</b>	2,032,716
Others	8, 9.5, 12	<b>27,131,680</b>	18,994,478
		<b>3,866,972,593</b>	3,495,380,567
Allowance for impairment	5.2(b)	<b>(66,235,590)</b>	(61,863,120)
		<b>3,800,737,003</b>	3,433,517,447
Non-current –			
Rental receivables	9.1	<b>5,944,942,897</b>	5,393,722,489
		<b>9,745,679,900</b>	8,827,239,936

Receivables do not bear any interest. All receivables (except advances to suppliers and officers and employees) are subject to credit risk exposures (see Note 5.2).

### 9.1 Rental Receivables

Rental receivables represent uncollected monthly receivables from third party tenants of the Group. This includes rent receivables arising from the application of PFRS 16, which represent the difference between the cash basis rent income and the straight-line rent income of all outstanding lease contracts as of the end of the reporting periods. Rent receivables from PFRS 16 adjustments amounted to P7,288.8 million and P6,695.4 million as of December 31, 2025 and 2024, respectively.

### 9.2 Advances

Except for certain advances amounting to P412.9 million and P407.8 million in 2025 and 2024, respectively, which are secured by an undertaking of another related party to pay in case of default, advances to related parties are unsecured, noninterest-bearing and are granted for working capital requirements (see Note 26.1). There are no definite repayment and settlement term on these advances.

Advances to suppliers under Receivables pertain to mobilization funds provided to various suppliers for use primarily in the construction and development of the Group's residential projects while those under Other Non-current Assets pertain to advances to suppliers for investment property additions (see Notes 10, 15 and 17). These are reduced proportionately upon receipt of progress billings from the said suppliers.

Advances to officers and employees are noninterest-bearing and collectible through liquidation, or salary deduction within 12 months from the end of the reporting period.

### **9.3 Contracts Receivables**

Contracts receivables are noninterest-bearing and usually due within 270 days. Of the total outstanding balance, P545.0 million is due from PRA as of December 31, 2025 and 2024. Management believes that these receivables are fully recoverable through collection of the accounts from customers. With respect to the amount due from PRA, the receivable is expected to be recoverable in full through transfer of certain properties owned by PRA to the Group (see Note 5.2).

### **9.4 Retention Receivables**

The remaining retention receivables pertains to the outstanding balances with third parties as of December 31, 2025 and 2024.

### **9.5 Other Receivables**

Other receivables mainly include accrued interest income from short-term placements and commission receivable from third party suppliers for transaction relating to supply of goods (see Note 8).

## **10. PROPERTY DEVELOPMENT COSTS AND CONTRACT ACCOUNTS**

### **10.1 Property Development Costs**

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 residential condominium projects, all of which are located in Aseana City, 1702 Parañaque City, Metro Manila. As of December 31, 2025 and 2024, the Group has capital commitments amounting to P92.4 million and P379.6 million, respectively, relating to the remaining development costs of the real estate projects under construction and raw land for future development.

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

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
MidPark Residences	<b>1,668,062,992</b>	1,707,821,376
One Parq Suites	<b>66,444,058</b>	64,190,593
Rawland	<b>795,662,588</b>	795,662,588
	<b><u>2,530,169,638</u></b>	<u>2,567,674,557</u>

Amortization of right-of-use asset and interest expenses on lease liability amounting to P2.4 million and P0.1 million, respectively, were capitalized in 2023 as part of the Property Development Cost (see Note 16). There were no similar transactions in 2025 and 2024.

Cost of residential units sold amounted to P82.7 million, P111.4 million and P577.7 million in 2025, 2024 and 2023, respectively (see Notes 21.2 and 23) and are presented under Cost of Services and Sales section in the consolidated statements of profit or loss.

## 10.2 Contract Accounts

The significant changes in the contract asset and liability balances during the reporting periods are as follows:

<i>(Amounts in PHP)</i>	2025		2024	
	Contract Asset	Contract Liability	Contract Asset	Contract Liability
Balance at beginning of year	<b>1,706,603,706</b>	<b>107,941,425</b>	1,773,351,501	187,304,069
Effect of adoption of interpretations affecting real estate [see Note 2.1(b)]	-	-	33,465,270	18,941,781
	<b>1,706,603,706</b>	<b>107,941,425</b>	1,806,816,771	206,245,850
Interest arising from significant financing component	<b>41,861,322</b>	<b>8,208,272</b>	93,226,018	52,582,127
Increase as a result of changes in measurement of progress, net of collections	<b>(107,233,605)</b>	<b>(51,758,853)</b>	(193,439,083)	(150,886,552)
Balance at end of year	<b>1,641,231,423</b>	<b>64,390,844</b>	1,706,603,706	107,941,425

In 2025 and 2024, the Group recognized P30.7 million and P79.92 million, respectively, of revenue that related to contract liabilities outstanding at the beginning of the year. The Group also recognized P92.9 million increase in revenue and P82.2 million decrease in cost, as at December 31, 2025, due to changes in estimates related to the percentage of completion [see Note 3.2(g)].

The transaction price allocated to the remaining performance obligation (unsatisfied or partially satisfied) amounted to P211.6 million and P414.7 million as at December 31, 2025 and 2024, respectively. The amounts are expected to be satisfied within 12 months from the end of the reporting period.

## 11. LAND AND LAND DEVELOPMENT COSTS

This account pertains to the cost of land available for sale located in Aseana Business Park, Parañaque City; Ciudad Nuevo Park; Cavite City; Lunzuran Heights Subdivision, Zamboanga, and Quezon City.

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		<b>11,723,087,039</b>	11,711,683,241
Development costs during the year	29.4	<b>121,953,583</b>	11,403,798
Sale during the year		<b>(2,086,655)</b>	-
Balance at end of year		<b><u>11,842,953,967</u></b>	<b><u>11,723,087,039</u></b>

In 2025, the Group sold a certain parcel of land with a total carrying amount of P2.1 million for P57.4 million. The transaction is presented as Residential sale in the 2025 consolidated statement of profit or loss. There was no similar transaction in 2024 and 2023.

Management has estimated that the net realizable value of Land and Land Development Costs is higher than its carrying value as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, certain portion of the parcels of land owned by the Group with a total lot area of 2,777 square meters and carrying amount of P52.9 million is used as collateral to secure certain peso denominated interest-bearing loans (see Note 18). 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.

## 12. OTHER CURRENT ASSETS

This account consists of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Deferred input VAT		<b>676,106,912</b>	738,661,949
Input VAT		<b>384,312,030</b>	444,885,174
Prepayments		<b>171,278,193</b>	197,815,663
Creditable withholding tax		<b>60,055,136</b>	73,192,267
Contract acquisition costs	3.2(i)	<b>44,212,089</b>	40,744,527
Refundable deposits		<b>16,681,985</b>	-
Financial assets at FVTPL	7.2	<b>10,453,418</b>	10,453,418
		<b><u>1,363,099,763</u></b>	<b><u>1,505,752,998</u></b>

Deferred input VAT pertains to the corresponding input VAT on subcontracted services, which are yet to be recognized in installments in the next reporting period.

Prepayments mostly pertain to real property taxes and other incidental business prepayments which are expected to be realized within 12 months after the end of the reporting period.

Refundable deposits pertain to construction deposits related to the construction of the St. John Paul II Chapel in Aseana City. The construction has been completed the deposits are expected to be realized within 12 months after the end of the reporting period

Financial assets at FVTPL consist of investments in equity and convertible debt securities which are held for trading purposes. Investment in equity securities amounted to P5.2 million in December 31, 2025 and 2024, while investment in convertible debt securities amounted to P5.3 million as of both dates. Fair value gain amounting to P0.7 million and P0.3 million in 2024 and 2023, respectively, is recognized and presented as part of Finance Income or Costs accounts in the consolidated statements of profit or loss (see Notes 22.1 and 22.2).

In 2024 and 2023, the Group recognized dividend income amounting to P1.7 million and P2.9 million, respectively, from preferred shares classified as financial assets measured at fair asset at FVPL. Such dividend income was recognized in profit or loss and presented under Dividend Income in the consolidated statements of profit or loss. There was no similar transaction in 2025.

### 13. INVESTMENTS IN ASSOCIATES, AND JOINT VENTURES

#### 13.1 Investment in Associates

The Group's associates are all incorporated and with principal operations in the Philippines. These entities are engaged in businesses related to the Parent Company's operations.

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

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Acquisition costs	<u>56,913,213</u>	<u>56,913,213</u>
Accumulated share in net losses:		
Balance at beginning of year	<u>(8,592,928)</u>	(8,219,958)
Share in net losses	<u>(210,102)</u>	<u>(372,970)</u>
Balance at end of year	<u>(8,803,030)</u>	<u>(8,592,928)</u>
	<u><u>48,110,183</u></u>	<u><u>48,320,285</u></u>

The Group's associates include ERTI, ACBMDC and AHEC. Although AHEC is currently in the process of liquidation [see Note 1.2(u)], the Group has assessed that the Group's existing share in the net assets of AHEC exceeds the carrying amount of its investment considering that AHEC has sufficient assets, including construction equipment related to the business of the Group. Upon completion of AHEC's liquidation, management of the Group believes that the Group may obtain portion of these assets in the form of a return of invested capital.

There were no associates which are considered individually material to the Group in 2025 and 2024; hence, no financial information is presented.

In 2023, prior to the acquisition of additional ownership interest in BRADCO, the Group received dividend income from BRADCO amounting to P17.5 million (see Note 13.2). No dividends were received from the associates from BRADCO in 2025 and 2024. The associates do not have other comprehensive income in 2025, 2024 and 2023.

These associates are not listed in the local stock exchange; hence, the fair value of the shares cannot be determined reliably, except for the additional acquisition of ownership interest in BRADCO (see Note 13.2). However, management believes that the carrying amounts of the investments are fully recoverable based on the prospect of the business of these associates and joint venture.

### **13.2 Investment in a Joint Venture**

On February 15, 1992, the Parent Company entered into a joint venture agreement with the Armed Forces of the Philippines Retirement and Separation Benefits System (AFPRSBS) to form BRADCO, a joint venture. Until December 11, 2023, the Parent Company and AFPRSBS each owns 50% interest in the joint venture and both exercise joint control over BRADCO.

The movements in the carrying amount of investment in BRADCO in 2023, which is accounted for under the equity method in the 2023 consolidated financial statements of the Group, are shown below (*Amounts in PHP*).

Acquisition costs	<u>2,000,000</u>
Accumulated share in net income:	
Balance at beginning of year	77,844,766
Dividend received	(17,494,676)
Share in net income	<u>11,296,893</u>
Balance at end of year	<u>71,646,983</u>
Effect of consolidation of a subsidiary	<u>(73,646,983)</u>
	<u><u>-</u></u>

On December 11, 2023, the Group executed a Share Subscription Agreement with BRADCO to acquire additional new common shares representing 1% of the total outstanding capital of BRADCO for a total consideration of P232.2 million increasing the Group's ownership interest from 50% to 51%. As a result of the acquisition, the Group obtained controlling interest over BRADCO. The transaction resulted in the recognition of a gain on remeasurement of the Group's previously-held equity interest in BRADCO amounting to P5,613.6 million, which is presented as Other income under Other Income (Charges) section in the 2023 consolidated statement of profit or loss.

In 2023, the gain on remeasurement of the previously-held equity interest at fair value on the date of acquisition is determined as follows (*Amounts in PHP*):

Fair value	5,687,254,800
Book value	<u>(73,646,983)</u>
Gain on remeasurement	<u><b>5,613,607,817</b></u>

The breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investment are as follows (*Amounts in PHP*):

	<u>Notes</u>	
<u>Assets</u>		
Cash		297,036,533
Trade receivables		26,784,760
Land held for sale	11	9,886,296,749
Property and equipment	14	42,938,358
Investment property	15	1,168,744,252
Other assets		<u>20,798,507</u>
		<u>11,442,599,159</u>
<u>Liabilities</u>		
Trade payables		47,405,682
Rental deposits		16,782,228
Due to related parties	26.2	<u>3,901,649</u>
		<u>68,089,559</u>
Net assets acquired		<u>11,374,509,600</u>
Cash consideration		232,167,322
Fair value of previously-held equity interest		5,687,254,800
Non-controlling interest	13.5	<u>5,455,087,478</u>
		<u>11,374,509,600</u>
Income from acquisition (goodwill)		<u><u>-</u></u>

There were no income or expense related to BRADCO recognized in the Group's consolidated statement of profit or loss and consolidated statement of comprehensive income after the acquisition date.

There are no significant risks, commitments, or contingencies related to the Group's interests in BRADCO during the reporting periods.

### 13.3 Acquisition of Assets

On October 1, 2020, ARHC acquired 100% equity ownership interest in LBDC. Also on December 9, 2016, AHI acquired 100% equity ownership interest in 58 Jupiter. LBDC and 58 Jupiter hold investment properties representing land and building (see Note 15).

In accordance with the Group's policy, the transactions are accounted by the Group as asset acquisitions since the transactions do not constitute a business combination. The purchase price upon acquisition amounting to P630.0 million for LBDC and P160.0 million for 58 Jupiter, were allocated among the asset and liability accounts based on their relative fair values in their applicable periods.

Subsequent to the date of acquisition, any changes in the carrying value of the net assets acquired in the books of LBDC and 58 Jupiter arising from its own operations shall be updated and accounted for in the books of the Group on a line-by-line basis, as if they are consolidated into a single entity. The registered office of LBDC, which is also its principal place of business, is located in Makati City. The registered office of 58 Jupiter is located in Escolta, Manila while its principal place of business is in Makati City.

### 13.4 Noncontrolling Interests

In 2025 and 2024, noncontrolling interests pertain to the equity ownership of minority stockholders in BRADCO, FRDC, R-1, MLCI, AITPI, SBRI, ARESM, AGFHC and BAHI. Among these subsidiaries, only BRADCO and BAHI have material noncontrolling interests as follows.

		Proportion of Ownership Interest and Voting Rights Held by NCI		
		2025	2024	2023
	BRADCO	49.00%	49.00%	49.00%
	BAHI	40.02%	40.02%	40.02%
<i>(Amounts in PHP)</i>		Subsidiary's Profit Allocated to NCI		
		2025	2024	2023
	BRADCO	20,184,664	16,716,246	11,296,893
	BAHI	42,316,918	25,949,543	13,360,752
<i>(Amounts in PHP)</i>		Accumulated Equity of NCI		
		2025	2024	2023
	BRADCO	5,491,987,938	5,471,803,274	5,455,087,478
	BAHI	702,437,912	660,120,994	634,171,451

The summarized financial information of BRADCO and BAHI, before intragroup eliminations, is shown below. Further, dividends declared and paid to minority stockholders of BAHI is fully disclosed in Note 28.3.

<i>(Amounts in PHP)</i>	<u>Current Assets</u>	<u>Non-current Assets</u>	<u>Current Liabilities</u>	<u>Non-current Liabilities</u>
<b>December 31, 2025</b>				
BRADCO	2,549,889,794	1,948,766,885	69,392,382	820,556,847
BAHI	<u>645,591,421</u>	<u>5,660,135,683</u>	<u>3,644,962,005</u>	<u>384,714,146</u>
	<u><b>3,195,481,215</b></u>	<u><b>7,608,902,568</b></u>	<u><b>3,714,354,387</b></u>	<u><b>1,205,270,993</b></u>
 December 31, 2024				
BRADCO	2,496,214,981	1,959,614,758	44,941,713	843,373,767
BAHI	<u>569,099,958</u>	<u>6,072,900,890</u>	<u>3,741,870,360</u>	<u>326,641,094</u>
	<u><b>3,065,314,939</b></u>	<u><b>8,032,515,648</b></u>	<u><b>3,786,812,073</b></u>	<u><b>1,170,014,861</b></u>

<i>(Amounts in PHP)</i>	<u>Revenues</u>	<u>Net Profit</u>	<u>Other Comprehensive Income (Loss)</u>
<b>2025</b>			
BRADCO	<b>71,203,925</b>	<b>41,193,191</b>	-
BAHI	<b>135,136,001</b>	<b>105,739,426</b>	-
 2024			
BRADCO	73,455,767	34,110,838	-
BAHI	109,772,002	64,841,436	-
 2023			
BRADCO	71,442,224	22,541,557	-
BAHI	92,478,870	33,372,543	-

Management determined that the difference between the respective equity ownership of minority stockholders over the equity of the aforementioned subsidiaries and the amount of NCI recognized in the consolidated statements of financial position is not material to the consolidated financial statements.

## 14. PROPERTY AND EQUIPMENT

The gross carrying amounts and the accumulated depreciation and amortization of property and equipment at the beginning and end of 2025 and 2024 are shown below.

<i>(Amounts in PHP)</i>	<b>Land</b>	<b>Land Improvements</b>	<b>Leasehold Improvements</b>	<b>Machinery and Construction Equipment</b>	<b>Transportation Equipment</b>	<b>Furniture and Office Equipment</b>	<b>Other Equipment</b>	<b>Building and Improvements</b>	<b>Total</b>
December 31, 2025									
Cost	9,291,800	114,670,187	96,399,285	536,718,027	107,061,004	205,419,612	17,230,460	239,649,209	1,326,439,584
Accumulated depreciation and amortization	-	(105,947,891)	(88,351,073)	(521,567,516)	(91,851,777)	(140,047,952)	(14,874,009)	(61,909,379)	(1,024,549,597)
Net carrying amount	<b>9,291,800</b>	<b>8,722,296</b>	<b>8,048,212</b>	<b>15,150,511</b>	<b>15,209,227</b>	<b>65,371,660</b>	<b>2,356,451</b>	<b>177,739,830</b>	<b>301,889,987</b>
December 31, 2024									
Cost	9,291,800	112,935,562	86,090,723	526,658,216	106,073,040	194,132,419	16,177,538	239,649,209	1,291,008,507
Accumulated depreciation and amortization	-	(88,070,935)	(80,305,031)	(509,431,490)	(80,082,460)	(138,680,326)	(14,703,864)	(53,921,072)	(965,195,178)
Net carrying amount	<b>9,291,800</b>	<b>24,864,627</b>	<b>5,785,692</b>	<b>17,226,726</b>	<b>25,990,580</b>	<b>55,452,093</b>	<b>1,473,674</b>	<b>185,728,137</b>	<b>325,813,329</b>
January 1, 2024									
Cost	9,291,800	112,935,562	76,347,570	512,147,620	94,169,361	190,027,368	16,666,665	239,649,209	1,251,235,155
Accumulated depreciation and amortization	-	(70,990,670)	(70,243,245)	(495,232,656)	(70,347,268)	(131,248,083)	(14,597,533)	(45,932,765)	(898,592,220)
Net carrying amount	<b>9,291,800</b>	<b>41,944,892</b>	<b>6,104,325</b>	<b>16,914,964</b>	<b>23,822,093</b>	<b>58,779,285</b>	<b>2,069,132</b>	<b>193,716,444</b>	<b>352,642,935</b>

A reconciliation of the carrying amounts at the beginning and end of 2025 and, 2024 of property and equipment is shown below.

<i>(Amounts in PHP)</i>	<b>Land</b>	<b>Land Improvements</b>	<b>Leasehold Improvements</b>	<b>Machinery and Construction Equipment</b>	<b>Transportation Equipment</b>	<b>Furniture and Office Equipment</b>	<b>Other Equipment</b>	<b>Building and Improvements</b>	<b>Total</b>
Balance at January 1, 2025, net of accumulated depreciation and amortization	9,291,800	24,864,627	5,785,692	17,226,726	25,990,580	55,452,093	1,473,674	185,728,137	325,813,329
Additions	-	1,734,625	10,308,562	10,059,811	987,964	11,287,193	1,052,922	-	35,431,077
Depreciation and amortization charges for the year	-	(17,876,956)	(8,046,042)	(12,136,026)	(11,769,317)	(1,367,626)	(170,145)	(7,988,307)	(59,354,419)
Balance at December 31, 2025, net of accumulated depreciation and amortization	<b>9,291,800</b>	<b>8,722,296</b>	<b>8,048,212</b>	<b>15,150,511</b>	<b>15,209,227</b>	<b>65,371,660</b>	<b>2,356,451</b>	<b>177,739,830</b>	<b>301,889,987</b>
Balance at January 1, 2024, net of accumulated depreciation and amortization	9,291,800	41,944,892	6,104,325	16,914,964	23,822,093	58,779,285	2,069,132	193,716,444	352,642,935
Additions	-	-	9,743,153	14,510,596	11,903,679	4,105,051	-	-	40,262,479
Disposals	-	-	-	-	-	-	(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>9,291,800</b>	<b>24,864,627</b>	<b>5,785,692</b>	<b>17,226,726</b>	<b>25,990,580</b>	<b>55,452,093</b>	<b>1,473,674</b>	<b>185,728,137</b>	<b>325,813,329</b>
Balance at January 1, 2023, net of accumulated depreciation and amortization	9,291,800	333,746	3,880,853	31,367,580	35,298,572	45,953,641	2,405,629	201,704,751	330,236,572
Effect of consolidation of a subsidiary	-	-	34,389,966	1,665,179	4,021,857	12,627,402	-	-	52,704,404
Additions	-	41,875,909	847,050	-	-	215,399	-	-	42,938,358
Depreciation and amortization charges for the year	-	(264,763)	(33,013,544)	(16,117,795)	(15,498,336)	(17,157)	(336,497)	(7,988,307)	(73,236,399)
Balance at December 31, 2022, net of accumulated depreciation and amortization	<b>9,291,800</b>	<b>41,944,892</b>	<b>6,104,325</b>	<b>16,914,964</b>	<b>23,822,093</b>	<b>58,779,285</b>	<b>2,069,132</b>	<b>193,716,444</b>	<b>352,642,935</b>

The amount of depreciation and amortization is allocated as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
General and administrative expenses	23	<b>31,869,168</b>	65,805,413	62,183,048
Capitalized as part of land and land development costs	11	<b>27,485,251</b>	797,545	10,088,061
Cost of construction contracts	21.3	<u>-</u>	<u>-</u>	<u>965,290</u>
		<b><u>59,354,419</u></b>	<b><u>66,602,958</u></b>	<b><u>73,236,399</u></b>

The management believes that the carrying amount of property and equipment is recoverable in full; hence, no impairment loss is recognized in 2025, 2024 and 2023.

There are no contractual commitments for the acquisition of property and equipment as of December 31, 2025 and 2024.

## 15. INVESTMENT PROPERTIES

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

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Investment properties - net		<b>21,617,961,536</b>	21,673,793,045
Right-of-use assets – net	2.11(a) 16.1	<b><u>427,410,875</u></b>	<u>442,213,050</u>
		<b><u>22,045,372,411</u></b>	<b><u>22,116,006,095</u></b>

The gross carrying amounts and the accumulated depreciation of investment properties (except Right-of-use assets, see Note 16.1) at the beginning and end of 2025 and 2024 are shown below.

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Improvements</u>	<u>Condominium Units</u>	<u>Construction in Progress</u>	<u>Total</u>
December 31, 2025					
Cost	12,223,020,856	10,824,651,592	25,228,650	317,847,076	23,390,748,174
Accumulated depreciation	<u>-</u>	<u>(1,762,215,178)</u>	<u>(10,571,460)</u>	<u>-</u>	<u>(1,772,786,638)</u>
Net carrying amount	<b><u>12,223,020,856</u></b>	<b><u>9,062,436,414</u></b>	<b><u>14,657,190</u></b>	<b><u>317,847,076</u></b>	<b><u>21,617,961,536</u></b>
December 31, 2024					
Cost	12,011,261,267	10,813,905,244	25,228,650	260,358,157	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	<b><u>12,011,261,267</u></b>	<b><u>9,386,507,285</u></b>	<b><u>15,666,336</u></b>	<b><u>260,358,157</u></b>	<b><u>21,673,793,045</u></b>
January 1, 2024					
Cost	11,808,751,998	9,667,120,799	25,228,650	492,798,052	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	<b><u>11,808,751,998</u></b>	<b><u>8,564,436,793</u></b>	<b><u>16,675,482</u></b>	<b><u>492,798,052</u></b>	<b><u>20,882,662,325</u></b>

The reconciliation of the carrying amounts of investment properties (except Right-of-use Assets, see Note 16.1) at the beginning and end of 2025 and 2024 is shown below.

<i>(Amounts in PHP)</i>	<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	12,011,261,267	9,386,507,285	15,666,336	260,358,157	21,673,793,045
Additions	211,759,589	10,746,348	-	57,488,919	279,994,856
Depreciation charges for the year	-	(334,817,219)	(1,009,146)	-	(335,826,365)
Balance at December 31, 2025, net of accumulated depreciation	<u>12,223,020,856</u>	<u>9,062,436,414</u>	<u>14,657,190</u>	<u>317,847,076</u>	<u>21,617,961,536</u>
Balance at January 1, 2024, net of accumulated depreciation	11,808,751,998	8,564,436,793	16,675,482	492,798,052	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	<u>12,011,261,267</u>	<u>9,386,507,285</u>	<u>15,666,336</u>	<u>260,358,157</u>	<u>21,673,793,045</u>
Balance at January 1, 2023, net of accumulated depreciation	10,573,292,926	4,586,260,634	17,684,628	3,339,151,573	18,516,389,761
Additions	66,714,820	58,797,847	-	1,273,515,562	1,399,028,229
Effect of consolidation of a subsidiary	1,168,744,252	-	-	-	1,168,744,252
Reclassifications	-	4,119,869,083	-	(4,119,869,083)	-
Depreciation charges for the year	-	(200,490,771)	(1,009,146)	-	(201,499,917)
Balance at December 31, 2023, net of accumulated depreciation	<u>11,808,751,998</u>	<u>8,564,436,793</u>	<u>16,675,482</u>	<u>492,798,052</u>	<u>20,882,662,325</u>

The amount of depreciation is allocated as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cost of rentals	21.1	<u>334,817,219</u>	324,713,953	200,490,771
General and administrative expenses	23	<u>1,009,146</u>	<u>1,009,146</u>	<u>1,009,146</u>
		<u>335,826,365</u>	<u>325,723,099</u>	<u>201,499,917</u>

(a) *Building and Improvements*

Building and improvements include the building of 58 Jupiter amounting to P2.9 million arising from the asset acquisition by AHI (see Note 13.3).

The Group received certain condominium unit with parking lots valued at P23.7 million as a result of a deed of exchange in 2015 (see Note 28.1). The remaining estimated useful life of these assets approximates to those applied in depreciating similar type of assets.

Construction in progress account also includes capitalized borrowing costs from interest-bearing loans partially obtained to finance the construction amounting to P13.8 million, P5.8 million and P57.0 million in 2025, 2024 and 2023, respectively, at an average capitalization rate of 3.8% in all years (see Notes 18 and 31).

In 2024, a certain tenant did not renew its lease agreement on a leased-out land leaving out a permanent improvement on the property. The Group gained effective ownership on the permanent improvement and recognized a gain amounting to P276.8 million which is recognized as part of Other operating income in the 2024 consolidated profit or loss. The amount recognized for the property represents its fair value, which was determined using the depreciated replacement cost method performed by an independent appraiser.

*(b) Land*

Land also include the property owned by 58 Jupiter and LBDC amounting to P153.4 million and P630.0 million, respectively, acquired through and accounted for under asset acquisition (see Note 13.3).

*(c) Other Information*

Land and building rental revenues recognized from investment properties amounted to P2,733.6 million, P2,774.3 million, and P2,263.7 million in 2025, 2024 and 2023, respectively, and are shown as part of Rentals under Revenues account in the consolidated statements of profit or loss. Variable lease income recognized from the investment properties amounted to P30.0 million, P27.5 million, and P32.7 million in 2025, 2024, and 2023, respectively, and are shown as part of Rentals under Revenues account in the consolidated statements of profit or loss. Costs incurred related to investment properties, including the depreciation, are presented as Rentals under Costs of Services and Sales account in the consolidated statements of profit or loss (see Note 21.1).

The fair value of investment properties amounted to P184,515.0 million and P175,526.9 million as of December 31, 2025 and 2024, respectively (see Note 7.4).

Management believes that the carrying amounts of investment properties are recoverable in full; hence, no impairment loss is recognized in 2025, 2024 and 2023.

Certain investment properties with carrying amount of P1,578.6 million in both December 31, 2025 and 2024, are used as collateral for certain loans with local banks (see Note 18).

There are no contractual commitments for the acquisition of investment properties as of December 31, 2025 and 2024, except for the development of the parcels of land in Aseana City (see Note 29.4).

## 16. LEASES

The Group leases certain parcels of land from WHI (see Note 26.3) where certain investment properties of the Group's are situated. Such leases have original terms from 25 to 30 years, and subject to escalation rate of 3% and enforceable renewal/extension options. The leases with WHI are reflected in the consolidated statements of financial position as right-of-use assets under Investment Properties (see Note 15) and lease liabilities. The lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. A lease is either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contract.

### 16.1 Right-of-use Assets

The carrying amount of the Group's right-of-use assets as at December 31 and the movements during the periods are shown below (see Note 15).

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	442,213,050	458,449,157
Amortization	<u>(14,802,175)</u>	<u>(16,236,107)</u>
Balance at end of year	<u>427,410,875</u>	<u>442,213,050</u>

Amortization of right-of-use assets amounting to P14.8 million, P16.2 million, and P20.1 million in 2025, 2024, and 2023, respectively, is presented as part of Cost of Rentals in the consolidated statements of profit or loss (see Note 21.1).

Furthermore, amortization of right-of-use assets amounting to P2.4 million in 2023 (nil in 2025 and 2024) was capitalized as part of Property Development Costs and is presented in the consolidated statements of financial position (see Note 10.1).

Income arising from subleasing right-of-use assets amounting to P652.7 million, P809.3 million and P419.8 million in 2025, 2024 and 2023, respectively, is presented as part of Rentals in the consolidated statements of profit or loss (see Note 4).

### 16.2 Lease Liabilities

The lease liabilities are secured by the related underlying assets. Such liabilities are presented in the consolidated statements of financial position as at December 31 as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	21,468,247	10,209,561
Non-current	<u>514,749,025</u>	<u>520,075,323</u>
	<u>536,217,272</u>	<u>530,284,884</u>

Interest expense in relation to lease liabilities amounted to P42.5 million, P41.5 million, and P41.2 million in 2025, 2024 and 2023, respectively, and is presented as part of Finance Costs in the consolidated statements of profit or loss (see Note 22.1).

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

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	<b>530,284,884</b>	525,731,881
Interest accretion	<b>42,470,471</b>	41,480,549
Lease payments	<b><u>(36,538,083)</u></b>	<u>(36,927,546)</u>
Balance at end of year	<b><u>536,217,272</u></b>	<u>530,284,884</u>

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's business strategy and the economic benefits of exercising the option exceeds the expected overall cost. However, the Group is not potentially exposed to future cash outflows relating to its existing lease with WHI as it does not require any termination fee and similarly has no advance rentals or lease deposit that would be forfeited in case of termination.

As of December 31, 2025 and 2024, the Group has no commitments for leases (as lessee) entered into but which had not commenced.

The maturity analysis of lease liabilities as at December 31, 2025 and 2024 are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Within 1 year	<b>39,785,639</b>	10,209,561
1 to 2 years	<b>40,551,587</b>	39,785,639
2 to 3 years	<b>41,881,289</b>	40,551,587
3 to 4 years	<b>42,685,617</b>	41,881,289
4 to 5 years	<b>43,975,748</b>	44,353,605
More than 5 years	<b><u>1,105,163,747</u></b>	<u>1,180,217,979</u>
Balance at end of year	<b><u>1,314,043,627</u></b>	<u>1,356,999,660</u>

### 16.3 Other Information

The Group has elected not to recognize a lease liability for any applicable low value assets and short-term leases. Payments made under such leases are expensed on straight-line basis.

Consequently, low value leases amounting to P0.6 million, P1.9 million, and P0.8 million, in 2025, 2024 and 2023, respectively, is presented as part of Others under General and Administrative account in the consolidated statements of profit or loss (see Note 23). On the other hand, the Group has no short-term leases.

## 17. OTHER NON-CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	Notes	2025	2024
Advances to suppliers	9.2, 17.1	<b>815,465,527</b>	107,763,674
Project advances	29.6	<b>120,275,187</b>	120,275,187
Refundable deposits	17.4	<b>68,772,458</b>	81,434,079
Deposits for future investment	17.2	<b>54,026,935</b>	54,026,935
Financial assets at FVOCI	17.3	<b>41,385,562</b>	41,993,830
Others		<b>2,730,518</b>	2,840,339
		<b>1,102,656,187</b>	408,334,044
Allowance for impairment	29.6	<b>(120,275,187)</b>	(120,275,187)
		<b>982,381,000</b>	288,058,857

### 17.1 Advances to Suppliers

Advances to suppliers represent payments made to contractors and suppliers for investment property additions. In 2025, the Group recognized advances related to the Aseana Plaza project, held as investment property, amounting to P750.0 million. There were no similar advances recorded in 2024.

### 17.2 Deposits for Future Investment

Included in the deposits for future investment as of December 31, 2025 and 2024 are deposits totaling P20.5 million made by the Group to acquire certain properties. As of December 31, 2025 and 2024, there are no contracts to sell executed for these properties yet. While the title of the properties are not yet transferred to the Group, management remains committed to purchase the properties as of December 31, 2025 and 2024.

This account also includes deposits made by the Group to third party landowners of certain parcels of land located in Romblon under a joint agreement to develop the property. The Group is entitled to an irrevocable and exclusive option to purchase the property from the landowners. In case the Group exercises the said option, the total amount from which the landowners have received the deposits shall form part of the total purchase price; otherwise, whatever amount of deposits received by the landowners shall be forfeited in favor of the latter. The project development over the land is yet to commence as of the date of issuance of the consolidated financial statements as necessary documentations are still being processed; however, the Group remains committed under the joint agreement. As of both December 31, 2025 and 2024, the deposits made by the Group amounted to P13.7 million.

The total amount of commitment to purchase these properties approximates the amount of deposits as of December 31, 2025 and 2024.

### ***17.3 Financial Assets at Fair Value Through Other Comprehensive Income***

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		<b>41,993,830</b>	43,046,550
Unrealized fair value gains (losses)	28.2	<u><b>(608,268)</b></u>	<u>(1,052,720)</u>
Balance at end of year		<u><b>41,385,562</b></u>	<u>41,993,830</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 (see Note 7.2).

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Unquoted equity securities	<b>37,284,562</b>	38,946,550
Golf club shares	<u><b>4,101,000</b></u>	<u>3,047,280</u>
	<u><b>41,385,562</b></u>	<u>41,993,830</u>

Fair value gains and losses recognized on these Financial assets at FVOCI are shown as part of Other Comprehensive Income (Loss) in the consolidated statements of comprehensive income which formed part of the balance of revaluation reserves on financial assets at FVOCI presented as part of Revaluation Reserves under the equity section of the consolidated statements of financial position (see Note 28.2).

### ***17.4 Refundable Deposits***

Refundable deposits significantly include deposits, which are perpetual in nature, made to power and water distribution companies pursuant to the supply needs of the Group's existing and on-going projects in Aseana City.

## 18. LOANS AND BORROWINGS

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

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	<b>716,666,666</b>	260,666,667
Non-current	<b>2,468,750,000</b>	2,604,166,666
	<b><u>3,185,416,666</u></b>	<b><u>2,864,833,333</u></b>

The Group obtained bank loans to support its working capital requirements, financing and investing activities, which include the Group's construction and development of certain investment properties (see Note 15).

### ***18.1 Parent Company***

In 2015, the Parent Company has fully drawn a P450.0 million secured loan from a term loan facility subject to a term of ten years from and after the initial drawdown date, inclusive of a grace period of two years. The loan bears an initial fixed 4% interest per annum and is subject to quarterly repricing from July 2015. The loan was obtained to partially finance the redemption of mortgaged properties with a certain corporation as payment for completing the Phase 4 of the Manila Bay Area Reclamation Project. The loan was settled in full in 2025. The average floating interest rates for 2025, 2024 and 2023 is 6.50%, 6.50% and 5.30%, respectively.

### ***18.2 ARHC***

In 2021, ARHC availed a one-year, P1,000.0 million secured a revolving loan facility from a local bank to partially finance the construction of MidPark Residences. The loan facility was fully drawn in the same year; and is repayable in lumpsum at maturity date which is one year from the date of availment. In November 2023, the revolving loan was converted into a five-year term loan, maturing on November 2028. Principal repayment shall commence two years from the date of drawdown, payable in 12 equal quarterly installments. Prepayment is allowed without penalty, provided that a 30-day prior irrevocable notice is given to the bank. The term loan carries an annual interest rate of 6.45%, with interest payable quarterly in arrears and subject to quarterly repricing. In 2025, a principal payment of P200.0 million was made, reducing the outstanding balance from P1,000.0 million to P800.0 million. The prevailing interest rate as of December 31, 2025 is 5.20%.

Also, in 2021, ARHC availed a five-year, P500.0 million secured term loan facility as incremental funds to partially finance the construction of MidPark Residences. The term loan is fully drawn in the same year and is payable quarterly starting January 2024 to October 2026. The loan is subject to a fixed interest rate of 3.50%. In 2023, ARHC entered into an agreement with the local bank to defer the remaining principal payments from April 2024 to April 2026 (i.e., from a grace period of two years to a grace period of four years). The amendment in terms of the loan did not result in a significant change in cash flows; hence, there was no adjustment made in the carrying amount of the original loan.

### 18.3 AHI

In 2021, AHI availed a five-year, P1,000.0 million secured term loan facility from a local bank to partially finance AHI's various capital expenditures. The term loan facility is fully drawn in the same year. The loan bears a fixed interest rate of 3.75% and is payable in 12 equal quarterly installments after the end of a two-year grace period from date of availment. In 2023, AHI entered into an agreement with the local bank to defer the principal payments of the same loan from August 2023 to August 2025 (i.e., from a grace period of two years to a grace period of four years). The amendment in terms of the loan did not result in a significant change in cash flows; hence, there was no adjustment made in the carrying amount of the original loan. In 2025, a principal payment of P167.0 million was made, reducing the outstanding balance from P1,000.0 million to P833.0 million.

Also, in 2021, AHI availed a five-year, P1,500.0 million secured term loan facility to partially finance the construction of Parqal, a mixed-use development project of AHI. The loan bears a fixed interest rate of 3.90% and is payable in 12 equal quarterly installments to commence on the ninth quarter from initial drawdown date. In the same year, AHI made a drawdown of P500.0 million. In 2024, AHI entered into an agreement with the local bank to defer the remaining principal payments from June 2024 to September 2025 (i.e., from a grace period of two years to a grace period of four years). The amendment in terms of the loan did not result in a significant change in cash flows; hence, there was no adjustment made in the carrying amount of the original loan. In 2025, a principal payment of P31.0 million was made, reducing the outstanding balance from P374.0 million to P343.0 million.

In May 2025, AHI availed of a P750.0 million loan drawdown, initially intended for working capital purposes and bearing an interest rate of 5.70% per annum. In September 2025, the loan was converted into a five-year term loan to partially finance the construction of Aseana Plaza. The term loan carries an annual interest rate of 5.39%, with interest payable monthly in arrears and subject to quarterly repricing. Principal repayments will commence on the third year and will be payable quarterly until the end of the loan term. As of December 31, 2025, the applicable interest rate related to the loan is 5.20%.

The bank loan availed by the Parent Company is secured by its properties under land and land development cost, while the bank loans availed by AHI and ARHC in 2021 are secured by continuing suretyship by the Parent Company, and certain investment properties owned by the Parent Company and BAHI (see Note 15). AHI and ARHC are not permitted to sell or repledge the collateral owned by BAHI.

As of December 31, 2025 and 2024, the Group's bank loans are secured by certain assets with carrying amounts as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	
Investment properties	15	1,578,577,269
Land and land development cost	11	<u>52,941,702</u>
		<u><b>1,631,518,971</b></u>

The reconciliation of the carrying amounts of the Group's loans and borrowings arising from financing activities is shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	<b>2,864,833,333</b>	3,064,833,333
Additions	<b>750,000,000</b>	-
Repayments	<b><u>(429,416,667)</u></b>	<u>(200,000,000)</u>
Balance at end of year	<b><u><u>3,185,416,666</u></u></b>	<u><u>2,864,833,333</u></u>

The interest incurred on loans and borrowings consists of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Finance cost	22.1	<b>131,300,872</b>	120,960,776	8,606,206
Borrowing cost capitalized as part investment properties	15	<b>13,779,060</b>	5,771,438	57,033,258
Borrowing cost capitalized as part property development cost	10	<u>-</u>	<u>-</u>	61,003,519
		<b><u><u>145,079,932</u></u></b>	<u><u>126,732,214</u></u>	<u><u>126,642,983</u></u>

There is no unpaid interest related to bank loans as of December 31, 2025 and 2024.

Except as disclosed in Note 30, the Group has no other significant loan covenants as of December 31, 2025 and 2024.

## 19. TRADE AND OTHER PAYABLES

This account consists of the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Accrued expenses		<b>900,641,040</b>	1,140,718,879
Deferred output VAT payable		<b>672,515,130</b>	757,262,940
Retention payable		<b>576,230,232</b>	559,484,629
Trade payables	26.7	<b>359,605,473</b>	447,926,708
Other payables		<b><u>184,084,602</u></b>	<u>99,324,899</u>
		<b><u><u>2,693,076,477</u></u></b>	<u><u>3,004,718,055</u></u>

Accrued expenses pertain to accrual for construction of Midpark and Parqal.

Deferred output VAT payable significantly relates to outstanding receivables from construction contracts as of the end of the reporting periods.

Retention payable represent a portion of progress billings received from third party contractors for the construction work performed which is retained by the Group to bind the contractors in completing the agreed performance obligation.

Other payables include withholding taxes on compensation, expanded withholding taxes and other statutory liabilities that are expected to be settled within 12 months from the end of each reporting period.

## 20. DEPOSITS AND ADVANCES

This account consists of:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current:		
Advance rentals	293,756,803	104,601,905
Rental deposits	243,258,752	255,049,951
Unearned rent income	175,938,499	169,670,439
Reservation deposits	70,497,034	164,366,153
Construction bond	20,067,712	49,189,050
Others	11,333,377	20,305,434
	<u>814,852,177</u>	<u>763,182,932</u>
Non-current:		
Rental deposits	407,475,720	484,767,983
Unearned rent income	109,409,369	97,332,000
Advance rentals	198,567,385	387,138,518
Others	10,921,373	7,801,650
	<u>726,373,847</u>	<u>977,040,151</u>
	<u>1,541,226,024</u>	<u>1,740,223,083</u>

Advance rentals pertain to payments received from tenants to be applied on future rentals due on the lease of the Group's properties held under operating lease agreements. For income tax purposes, advance rentals are considered as part of taxable income upon receipt, less initial direct costs incurred by the Group in negotiating and arranging the specific operating lease, which shall be amortized over the same term as that of the advance rentals (see Note 25).

Current portion represents amounts expected to be settled within the next twelve (12) months after the reporting date either through refund or applied against the lease payments upon termination of the lease. Long-term deposits are discounted to present value.

Unearned rent income resulted from the recognition of day-one gain on discounting of rental deposits, which are amortized over the remaining lease term. The Group realized portions of its unearned rent income from discounting amounting to P5.6 million, P8.0 million, and P13.1 million in 2025, 2024, and 2023, respectively, and is presented as part of the Rental revenues in the consolidated statements of profit or loss. The related amortization of discount on security deposits amounted to P9.9 million, P3.3 million, and P6.7 million in 2025, 2024, and 2023, respectively, and is presented under the Finance Costs in the consolidated statements of profit or loss (see Note 22.1).

Reservation deposits pertain to reservation fees and advance payments from buyers which did not meet the 20% threshold for revenue recognition as of the end of the reporting periods.

## 21. COSTS OF SERVICES AND SALES

### 21.1 Cost of Rentals

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

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Depreciation and amortization	15, 16.1	<b>349,619,394</b>	340,950,060	218,148,589
Real property tax		<b>96,147,894</b>	72,808,347	83,216,105
Utilities		<b>90,713,249</b>	72,853,573	49,970,145
Outside services		<b>56,834,909</b>	58,680,830	52,491,036
Repairs and maintenance		<b>52,115,798</b>	36,617,029	27,374,024
Rentals	26.3	<b>39,838,901</b>	12,115,244	1,636,812
Office supplies		<b>29,168,563</b>	32,229,439	14,765,776
Professional fees		<b>12,672,702</b>	10,738,455	11,603,690
Others		<b>13,347,976</b>	29,075,712	27,870,273
	23	<b><u>740,459,386</u></b>	<b><u>666,068,689</u></b>	<b><u>487,076,450</u></b>

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

### 21.2 Cost of Sale of Residential

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

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Development costs	23	<b>69,726,835</b>	90,806,296	451,005,888
Land cost	23	<b>8,810,438</b>	12,697,227	55,604,010
Others		<b>4,190,266</b>	7,930,110	71,128,671
	10.1, 23	<b><u>82,727,539</u></b>	<b><u>111,433,633</u></b>	<b><u>577,738,569</u></b>

Development costs pertain to work done by third party contractors relating to planning, design, architectural, and construction of the residential units. Others include permits and licenses, other development charges, surveying, monumenting and titling fees.

### 21.3 Cost of Construction Contracts

The details of cost of construction contracts are shown below.

<i>(Amounts in PHP)</i>	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
Construction materials		<b>524,363</b>	728,571	95,574,149
Subcontracted services	26.7	<b>42,054</b>	2,737,937	7,490,546
Depreciation and amortization	14	-	-	965,290
Gasoline and oil		-	-	461,515
	23	<u><b>566,417</b></u>	<u>3,466,508</u>	<u>104,491,500</u>

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

Presented below are the details of other income (charges).

### 22.1 Finance Costs

<i>(Amounts in PHP)</i>	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
Interest expense:				
Bank loans	18	<b>131,300,872</b>	120,960,776	8,606,206
Lease liabilities	16.2	<b>42,470,471</b>	41,480,549	41,186,668
Amortization of discount on security deposits	20	<b>9,873,632</b>	3,263,883	6,652,725
Significant financing component	10.2	<b>8,208,272</b>	52,582,127	-
Retirement benefit obligation	24.2	<b>2,760,207</b>	2,567,606	1,945,812
Foreign currency loss		-	-	64,492
Fair value loss on financial assets at FVTPL		-	-	1,516,500
Others		<u><b>234,874</b></u>	<u>134,702</u>	<u>36,022</u>
		<u><b>194,848,328</b></u>	<u>220,989,643</u>	<u>60,008,425</u>

Others represent incidental service and other bank-related charges.

### 22.2 Finance Income

<i>(Amounts in PHP)</i>	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
Interest income	8	<b>177,752,876</b>	145,369,038	145,115,337
Significant financing component	10.2	<b>41,861,322</b>	93,226,018	-
Foreign currency gain		<b>9,809,908</b>	64,098	-
Fair value gain on financial assets at FVTPL	12	-	676,500	-
		<u><b>229,424,106</b></u>	<u>239,335,654</u>	<u>145,115,337</u>

### 22.3 Other Operating Income

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Gain on sales cancellation and forfeiture of reservation deposits		96,925,341	56,588,445	54,831,444
Income from rendering of administrative and other services	26.6	43,378,031	42,958,769	41,053,126
Gain arising from recognition of building	15	-	276,750,000	-
Processing fee		-	37,870,302	-
Impairment reversal		-	12,778,909	-
Others		15,634,704	34,358,627	23,109,613
		<b>155,938,076</b>	<b>461,305,052</b>	<b>118,994,183</b>

Others also includes parking fee income, vetting fee and signage rental.

### 23. OPERATING EXPENSES BY NATURE

The details of operating expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Depreciation and amortization	14, 15, 16.1	382,497,708	407,764,619	282,306,074
Salaries and employee benefits	24.1	238,469,468	210,823,804	193,422,620
Taxes and licenses		199,543,445	194,979,227	222,698,902
Outside services		92,183,026	87,294,055	68,168,881
Utilities		78,956,829	90,717,517	64,500,458
Representation and entertainment		76,513,972	38,004,502	57,102,279
Development costs and other cost	21.2	73,917,101	98,736,404	522,134,559
Repairs and maintenance		60,743,692	41,819,449	30,434,464
Association dues		52,807,572	44,664,717	42,530,237
Commission		46,277,222	73,106,455	123,244,142
Office supplies		44,724,720	40,704,722	24,181,940
Rentals	21.1	39,838,901	12,115,244	1,636,812
Professional fees		36,274,809	50,575,828	38,716,279
Corporate affairs		28,549,508	9,000,372	7,806,451
Bond and insurance		16,852,546	15,843,853	8,092,119
Land cost	21.2	8,810,438	12,697,227	55,604,010
Transportation and travel		7,193,087	6,516,349	5,110,884
Impairment loss	5.2(b)	3,917,742	-	120,797,713
Construction materials		524,363	899,250	95,574,149
Subcontract services	26.7	42,054	2,567,258	7,490,546
Others	16.3	73,510,962	71,290,333	110,546,541
		<b>1,562,149,165</b>	<b>1,510,121,185</b>	<b>2,082,100,060</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 consolidated statements of profit or loss as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cost of rentals	21.1	<b>740,459,386</b>	666,068,689	487,076,450
Cost of sale of residential	10.1, 21.2	<b>82,727,539</b>	111,433,633	577,738,569
Cost of construction contracts	21.3	<b>566,417</b>	3,466,508	104,491,500
General and administrative expenses		<b>690,555,240</b>	655,183,757	788,442,192
Selling expenses		<b>47,840,583</b>	73,968,598	124,351,349
		<u><b>1,562,149,165</b></u>	<u>1,510,121,185</u>	<u>2,082,100,060</u>

The details of general and administrative expenses are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Salaries and employee benefits	24.1	<b>238,469,468</b>	210,823,804	193,422,620
Taxes and licenses		<b>103,395,551</b>	122,170,880	139,482,797
Representation and entertainment		<b>53,600,995</b>	38,004,502	57,102,279
Association dues		<b>52,807,572</b>	44,664,717	42,530,237
Depreciation and amortization	14, 15	<b>40,175,640</b>	66,553,487	63,192,194
Outside services		<b>35,348,117</b>	28,613,225	15,677,845
Corporate affairs		<b>28,549,508</b>	9,000,372	7,805,451
Professional fees		<b>23,602,107</b>	39,837,373	27,112,589
Bond and insurance		<b>16,852,546</b>	15,843,853	8,092,119
Office supplies		<b>15,556,158</b>	8,475,284	9,416,165
Utilities		<b>11,156,557</b>	17,863,944	14,530,313
Repairs and maintenance		<b>8,627,894</b>	5,202,420	3,060,440
Transportation and travel		<b>7,193,087</b>	6,516,349	5,110,884
Impairment loss		<b>3,762,785</b>	-	120,797,713
Others	16.3	<b>51,457,255</b>	41,613,547	81,108,546
		<u><b>690,555,240</b></u>	<u>655,183,757</u>	<u>788,442,192</u>

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

## 24. EMPLOYEE BENEFITS

### 24.1 Salaries and Employee Benefits Expense

The details of salaries and employee benefits are presented below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits		<b>232,673,863</b>	205,721,231	190,448,579
Post-employment defined benefit	24.2	<u>5,795,605</u>	<u>5,102,573</u>	<u>2,974,041</u>
	23	<u><b>238,469,468</b></u>	<u>210,823,804</u>	<u>193,422,620</u>

Salaries and employee benefits are classified and presented in the consolidated statements of profit or loss as part of General and administrative expenses.

### 24.2 Post-employment Defined Benefit Obligation

#### (a) Characteristics of the Post-employment Defined Benefit Plan

The Group is in the process of establishing a non-contributory post-employment benefit plan that is being administered by a trustee bank that is legally separated from the Group. The trustee bank manages the fund in coordination with the Group's management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The Group conforms to the minimum requirement of Philippine Law wherein it accrues the estimated cost of retirement benefits required by the provisions of R.A. No. 7641. R.A. No. 7641 does not, however, require it to be funded.

#### (b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment benefit cost. All amounts presented are based on the actuarial valuation report obtained from an independent actuary in 2025, 2024 and 2023.

The amounts of post-employment defined benefit obligation recognized in the consolidated statements of financial position are determined as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Present value of the obligation	<b>70,286,888</b>	76,331,821
Fair value of plan assets	<u><b>(29,764,173)</b></u>	<u>(32,035,737)</u>
	<u><b>40,522,715</b></u>	<u>44,296,084</u>

The movements in the present value of the post-employment defined benefit obligation recognized in the books are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	76,331,821	70,652,306
Current service cost	5,795,605	5,102,573
Interest expense	4,714,387	4,376,726
Actuarial losses (gains) arising from:		
- changes in financial assumptions	2,547,159	87,573
- experience adjustments	<u>(19,102,084)</u>	<u>(3,887,357)</u>
Balance at end of year	<u>70,286,888</u>	<u>76,331,821</u>

The movements in the fair value of plan assets are presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	32,035,737	29,609,162
Remeasurement gain (loss) – return on plan assets (excluding amounts included in net interest)	(4,225,744)	617,455
Interest income	<u>1,954,180</u>	<u>1,809,120</u>
Balance at end of year	<u>29,764,173</u>	<u>32,035,737</u>

Plan assets substantially consist only of the Parent Company's own equity securities (see Note 26.4). The fair value of the equity securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

The components of amounts recognized in the consolidated statements of profit or loss and in the consolidated statements of comprehensive income in respect of the post-employment defined benefit plan are as follows:

<i>(Amounts in PHP)</i>	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Recognized in consolidated profit or loss:</i>				
Current service cost	24.1	<b>5,795,605</b>	5,102,573	2,974,041
Net interest expense	22.1	<b><u>2,760,207</u></b>	<u>2,567,606</u>	<u>1,945,812</u>
		<b><u>8,555,812</u></b>	<u>7,670,179</u>	<u>4,919,853</u>
 <i>Recognized in consolidated other comprehensive income (loss):</i>				
<i>Actuarial losses (gains) arising from:</i>				
- experience adjustments		<b>(19,102,084)</b>	(3,887,357)	(5,706,014)
- remeasurement loss on plan assets		<b>12,317,804</b>	(617,455)	10,688,022
- changes in financial assumptions		<b><u>2,547,159</u></b>	<u>87,573</u>	<u>13,027,512</u>
	28.2	<b><u>(4,237,121)</u></b>	<u>(4,417,239)</u>	<u>18,009,520</u>

Current service cost is recognized as part of Salaries and employee benefits under General and Administrative Expenses account in the consolidated statements of profit or loss (see Note 24.1). The net interest expense is included as part of Finance costs under Other Income (Charges) account in the consolidated statements of profit or loss (see Note 22.1).

Amount recognized in consolidated other comprehensive income (loss) is included and presented as item that will not be reclassified subsequently to consolidated profit or loss.

In determining the amounts of post-employment defined benefit obligation, the following significant actuarial assumptions were used:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Discount rates	<b>6.48%</b>	6.09%
Expected rate of salary increases	<b>5.00%</b>	5.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining working life of an individual retiring at the age of 60 is 25.15 years and 25.45 years as of December 31, 2025 and 2024, respectively, both for males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Post-employment Plan*

The plan exposes the Group to actuarial risks such as interest rate risk and longevity and salary risks.

(i) *Investment and Interest Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has investment in equity securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions and the timing and uncertainty of future cash flows related to the post-employment defined benefit plan are described below and in the succeeding page.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation as of December 31, 2025 and 2024:

<i>(Amounts in PHP)</i>	<b>Impact on Post-employment Defined Benefit Obligation</b>		
	<b>Change in Assumption</b>	<b>Increase in Assumption</b>	<b>Decrease in Assumption</b>
<b><u>December 31, 2025</u></b>			
Discount rate	+/- 1.0%	<b>(8,253,886)</b>	<b>7,149,799</b>
Salary growth rate	+/- 1.0%	<b>8,289,260</b>	<b>(7,304,641)</b>
<b><u>December 31, 2024</u></b>			
Discount rate	+/- 1.0%	<b>(6,834,301)</b>	<b>5,880,442</b>
Salary growth rate	+/- 1.0%	<b>6,841,043</b>	<b>(5,990,425)</b>

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Funding Arrangements and Expected Contributions*

At the end of the reporting period, the Group has not determined yet the additional funding of its post-employment defined benefit obligation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk in the future when a significant number of employees is expected to retire.

The maturity profile of undiscounted expected benefit payments in the next 10 years from the plan as of December 31 follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Within one to five years	<b>31,723,324</b>	32,465,311
More than five to eleven years	<b>60,414,126</b>	27,588,514
	<b><u>92,137,450</u></b>	<b><u>60,053,825</u></b>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 11 years.

## 25. INCOME TAXES

### 25.1 Current and Deferred Taxes

The components of tax expense reported in the consolidated statements of profit or loss and consolidated statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in consolidated profit or loss:</i>			
Current tax expense:			
Regular corporate			
income tax (RCIT) at 25% or 20%	<b>354,857,199</b>	393,120,156	258,608,470
Final tax at 20%, 15% and 7.5%	<b>33,022,392</b>	26,136,864	29,020,161
Minimum corporate			
income tax (MCIT) at 2% in 2025 and			
2024 and 1.5% in 2023	-	-	19,395
	<b>387,879,591</b>	419,257,020	287,648,026
Deferred tax expense relating to			
origination and reversal of			
temporary differences	<b>131,096,211</b>	124,337,711	231,595,065
	<b>518,975,802</b>	543,594,731	519,243,091
<i>Reported in consolidated other</i>			
<i>comprehensive income (loss) -</i>			
Deferred tax expense (income)			
relating to remeasurement of			
retirement benefit obligation	<b>1,059,280</b>	1,104,309	(4,502,380)

The reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the consolidated statements of profit or loss is as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax on pretax profit at 25%	<b>611,035,387</b>	666,651,890	1,962,179,075
Adjustment for income			
subjected to lower tax rates	<b>(15,661,942)</b>	(40,839,480)	(34,818,896)
Tax effects of:			
Non-taxable income arising from			
consolidation of a subsidiary	-	-	(1,403,401,954)
Non-deductible expenses and			
other taxable income eliminated	<b>6,982,442</b>	9,194,377	4,078,860
during consolidation	<b>(10,787,967)</b>	(13,123,790)	(6,433,954)
Non-taxable income			
Excess of optional standard deduction	<b>(72,592,118)</b>	(78,288,266)	(2,509,439)
(OSD) over itemized deductions			
Unrecognized deferred tax on net			
operating loss carryover (NOLCO)	-	-	149,399
and other temporary differences	<b>518,975,802</b>	543,594,731	519,243,091

The net deferred tax liabilities relate to the following as of December 31:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Net deferred tax assets:		
Allowance for impairment of receivables	844,657	779,409
Advance rentals	(83,765)	(15,668)
Others	15,038	12,363
	<u>775,930</u>	<u>776,104</u>
Net deferred tax liabilities:		
Accrued rent income based on PFRS 16	(1,790,370,741)	(1,586,235,102)
Excess of accounting realized gross profit over the taxable realized gross profit from sale of residential units	(60,641,562)	(177,065,594)
Allowance for impairment on receivables and project advances	178,625,199	186,333,115
Right-of-use assets	112,506,399	122,965,261
Advance rentals	154,743,935	113,414,023
Lease liabilities	(18,402,740)	(23,950,960)
Retirement benefit obligation	28,376,861	30,894,530
Commissions	742,622	7,440,019
Revaluation increment on land	(4,761,973)	(4,761,973)
Unrealized foreign currency gain	(2,176,378)	(22,088)
Net deferred tax liabilities	<u>(1,401,358,378)</u>	<u>(1,330,988,769)</u>

The movements in net deferred tax liabilities for the years ended December 31, 2025, 2024 and 2023 are as follows:

<i>(Amounts in PHP)</i>	<u>Profit or Loss</u>			<u>Other Comprehensive Income (Loss)</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accrued rent income based on PFRS 16	150,276,054	80,231,207	207,056,716	-	-	-
Excess deferred gross profit on sale of residential units	22,490,328	27,135,256	175,292,731	-	-	-
Allowance for impairment of receivables and project advances	(21,540,878)	45,109,883	(77,384,716)	-	-	-
Advance rentals	(12,883,079)	(2,765,285)	(46,373,712)	-	-	-
Lease liabilities	(13,492,098)	(161,794,143)	(21,532,736)	-	-	-
Commissions	(1,392,530)	(1,518,601)	(7,656,195)	-	-	-
Right-of-use assets	8,118,043	138,575,749	5,022,849	-	-	-
Retirement benefit obligation	(987,634)	(1,211,665)	(1,600,927)	1,059,280	1,104,309	(4,502,380)
Unrealized foreign currency gain (loss)	(2,167,372)	(7,409)	(642,268)	-	-	-
NOLCO	-	-	8,406	-	-	-
Others	2,675,377	582,719	(595,083)	-	-	-
Deferred tax expense (income) - net	<u>131,096,211</u>	<u>124,337,711</u>	<u>231,595,065</u>	<u>1,059,280</u>	<u>1,104,309</u>	<u>(4,502,380)</u>

The Group is subject to MCIT which is computed at 2% in 2025 and 2024 and 1.5% in 2023, of gross income, as defined under the tax regulations or RCIT, whichever is higher (see Note 25.2). The Group is liable for RCIT in 2025, 2024 and 2023 since RCIT was higher than MCIT, except for 58 Jupiter which was subjected to MCIT in 2023.

The Group did not recognize deferred tax assets on NOLCO and MCIT of certain subsidiaries as management has assessed that those subsidiaries may not be able to realize their related tax benefits within the prescribed availment period. The unrecognized deferred tax assets relating to NOLCO and MCIT are presented below (Amounts in PHP).

NOLCO	2,916,925
MCIT	<u>40,220</u>
	<u><b>2,957,145</b></u>

The details of NOLCO and MCIT related to the Parent Company's certain subsidiaries, which can be claimed as deduction from future taxable income and regular corporate income tax liabilities, respectively, within three to five years from the year the NOLCO and MCIT were incurred are shown below. Specifically, NOLCO incurred in 2021 and 2020 of such subsidiaries can be claimed as deduction for the next five consecutive taxable years or until 2026 and 2025, respectively, in accordance with Section 4 of R.A. 11494, *Bayaniban to Recover as One Act*.

(Amounts in PHP)

<u>Year Incurred</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
NOLCO:					
2022	5,720,128	(33,624)	(5,686,504)	-	
2021	4,157,270	(27,641)	-	4,129,629	2026
2020	<u>4,280,135</u>	<u>-</u>	<u>(4,280,135)</u>	<u>-</u>	
	<u><b>14,157,533</b></u>	<u><b>(61,265)</b></u>	<u><b>(9,966,639)</b></u>	<u><b>4,129,629</b></u>	
<u>Year Incurred</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
MCIT:					
2023	19,395	-	-	19,395	2026
2022	<u>20,825</u>	<u>-</u>	<u>(20,825)</u>	<u>-</u>	
	<u><b>40,220</b></u>	<u><b>-</b></u>	<u><b>(20,825)</b></u>	<u><b>19,395</b></u>	

In 2025, 2024 and 2023, the Group claimed itemized deductions in computing its income tax due, except for:

- DMWAI and AHI, which opted to claim OSD in 2025, 2024, and 2023;
- LBDC and UCTPI, which opted to claim OSD in 2025 and 2023;
- ARHC, which opted to claim OSD in 2025, 2024 and 2023
- AGFHC, which opted to claim OSD in 2023
- BAHI, which opted to claim OSD in 2025 and 2023; and,
- WCCI, AWSMI, GEI and 58 JPTR, which opted to claim OSD in 2025.

### ***25.2 Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act***

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and became effective beginning July 1, 2020, which among others, have the following impact:

- RCIT rate was reduced from 30% to 25% or 20% starting July 1, 2020;
- MCIT rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

## **26. RELATED PARTY TRANSACTIONS**

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

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the Parent Company's BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

The summary of the Group's transactions in 2025, 2024 and 2023 with its related parties and the outstanding balances as of December 31, 2025 and 2024 are presented below and in the succeeding pages.

<i>(Amounts in PHP)</i>		Outstanding Balances		Amount of Transactions		
Related Party Category	Note	2025	2024	2025	2024	2023
<b>Ultimate parent company:</b>						
Cash advances granted	26.1	478,095,344	471,585,396	6,509,948	-	(13,421,116)
Advances from purchase of land	26.2	(3,439,133,011)	(3,522,401,851)	83,268,840	(296,366,061)	(174,357,164)
Cash advances assumed	26.2	(40,026,017)	(40,026,017)	-	-	-
Management fee	26.3	122,435,939	78,747,824	43,688,115	43,688,115	43,688,115
Right-of-use assets	26.3	427,410,876	442,213,050	(14,802,174)	(43,236,107)	(20,141,395)
Lease liabilities	26.3	(536,217,273)	(530,284,884)	(5,932,389)	(4,553,003)	1,202,965
Rentals	26.3	-	-	39,838,901	12,115,244	1,636,812
Amortization	26.3	-	-	17,570,441	17,918,891	20,141,395
Interest expense	26.3	-	-	42,470,571	41,480,549	41,243,335
<b>Associates -</b>						
Cash advances granted	26.1	-	-	-	(7,664,070)	(7,559,525)
<b>Joint venture:</b>						
Cash advances granted (collected)	26.1	-	-	-	(37,583,941)	(37,583,941)
Construction contracts	26.5	-	-	-	-	(8,331,867)
<b>Related parties under common ownership and management:</b>						
Cash advances granted (collected)	26.1	186,889,220	170,769,322	16,119,898	(6,025,408)	38,220,497
Cash advances paid (obtained)	26.2	(45,349,701)	(42,462,969)	(2,886,732)	133,577	(15,375,718)
Contracts of services	26.7	-	-	-	2,737,937	7,490,546
Other income	26.6	-	-	43,384,728	56,955,404	41,053,126
<b>Stockholders -</b>						
Cash advances granted	26.1	110,192,483	109,539,670	652,813	352,322	7,548,885
<b>Key management personnel -</b>						
Compensation	26.8	-	-	67,613,880	56,656,640	61,430,660
<b>Retirement fund</b>						
	26.4	31,662,250	32,035,737	(373,487)	(7,815,775)	(7,815,775)

The outstanding balance of receivables and payables from these transactions are unsecured, noninterest-bearing and due upon demand, unless otherwise stated.

The Group's outstanding receivables with related parties were subjected to impairment. The application of the ECL methodology and the corresponding movements in the allowance for ECL relating to the outstanding balances with related parties is fully disclosed in Note 5.2(b). In 2025, the Group recognized additional ECL of P4.4 million, presented as Impairment loss under General and Administrative Expenses in the consolidated statement of profit or loss. In 2024, a reversal of impairment loss on financial assets amounting to P6.5 million, net of direct write-offs, was recognized and presented as Reversal of impairment loss on financial assets – net (see Notes 22.3 and 23), arising from the reassessment of expected credit losses based on updated information available as at December 31, 2024.

### **26.1 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. Except for certain advances secured by an undertaking of another related party in case of default, these advances are generally unsecured and have no fixed repayment terms, and therefore collectible upon demand. These are presented as Advances to related parties under Receivables account in the consolidated statements of financial position (see Note 9). The advances have no fixed repayment terms and collectible upon demand.

The details of advances to related parties are presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Ultimate parent company	478,095,344	471,585,396
Related parties under common ownership and management	186,889,220	170,769,322
Stockholders	<u>110,192,483</u>	<u>109,539,670</u>
	<u>775,177,047</u>	<u>751,894,388</u>

The movements in the carrying amount of the advances to related parties in 2025 and 2024 are as follows:

<i>(Amounts in PHP)</i>	<u>Ultimate parent company</u>	<u>Related parties under common ownership and management</u>	<u>Stockholders</u>	<u>Total</u>
<b>December 31, 2025</b>				
Balance at beginning of year	471,585,396	170,769,322	109,539,670	751,894,388
Additions	<u>6,509,948</u>	<u>16,119,898</u>	<u>652,813</u>	<u>23,282,658</u>
Balance at end of year	<u>478,095,344</u>	<u>186,889,220</u>	<u>110,192,483</u>	<u>775,177,047</u>
<b>December 31, 2024</b>				
Balance at beginning of year	471,585,396	176,794,730	109,187,348	757,567,474
Additions	-	-	352,322	352,322
Collections	<u>-</u>	<u>(6,025,408)</u>	<u>-</u>	<u>(6,025,408)</u>
Balance at end of year	<u>471,585,396</u>	<u>170,769,322</u>	<u>109,539,670</u>	<u>751,894,388</u>

## ***26.2 Advances from and Due to Related Parties***

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 related parties under common ownership and management to assist its daily operational and other requirements.

Advances from and due to a related parties and the portion of advances are considered as financing activities. The reconciliation of the carrying amounts of these accounts with movements during the reporting periods as presented in the consolidated statements of cash flows is shown below and on the succeeding page.

<i>(Amounts in PHP)</i>	<u>Ultimate parent company</u>	<u>Related parties under common ownership and management</u>	<u>Total</u>
<b>December 31, 2025</b>			
Balance at beginning of year	3,522,401,851	85,375,719	3,607,777,570
Advances paid	<u>(83,268,640)</u>	<u>(2,886,742)</u>	<u>(86,155,382)</u>
Balance at end of year	<u>3,439,133,211</u>	<u>82,488,977</u>	<u>3,521,622,188</u>

<i>(Amounts in PHP)</i>	Ultimate parent company	Related parties under common ownership and management	Total
December 31, 2024			
Balance at beginning of year	3,818,767,912	85,509,296	3,904,277,208
Advances paid	(296,366,061)	(133,577)	(296,499,638)
Balance at end of year	3,522,401,851	85,375,719	3,607,777,570

The outstanding balances with related parties are unsecured, noninterest-bearing, have no fixed repayment and settlement terms, except as disclosed in Note 5.3, and are presented as Advances from and Due to Related Parties account in the consolidated statements of financial position.

### **26.3 Rentals**

In 2019, the Group entered into a lease agreement with the Ultimate Parent Company for certain parcels of land with lease term of 30 years. In accordance with PFRS 16 (see Note 16), the Group recognized right-of-use asset and lease liability amounting to P163.8 million for this lease arrangement. The Group incurred amortization expense amounting to P5.6 million each in 2025, 2024 and 2023. Interest expense related to said lease amounted to P12.6 million each in 2025, 2024 and 2023.

In 2021, the Group entered into two additional lease agreements with the Ultimate Parent Company for certain parcels of land with lease terms of 3 years and 25 years. In accordance with PFRS 16 (see Note 16), the Group recognized right-of-use assets and lease liabilities amounting to P379.3 million for these lease arrangements. The Group incurred amortization expense and interest expense amounting to P42.5 million and P41.5 million in 2025 and P17.9 million and P41.5 million in 2024, respectively, which are charged to profit or loss. Amortization expense and interest expense amounting to P2.5 million and P0.1 million in 2023, is capitalized as part of Property Development Costs in the consolidated statements of financial position.

Variable rent, representing a percentage share in the Group's revenues generated from the leased property, amounted to P39.8 million, P12.1 million, and P1.6 million in 2025, 2024, and 2023, respectively. Such amounts are recognized as Rentals and presented under Cost of Rentals in the consolidated statements of comprehensive income.

In 2021, the Group also entered into a contract with WHI to render certain performance obligations relative to the management and administration of the latter's real estate properties, including portions leased to a third party. Revenue recognized from this arrangement amounted to P43.7 million, P43.7 million and P21.8 million in 2025, 2024 and 2023, respectively, and is presented as part of Other Revenues from Rentals under the Revenues section of the consolidated statements of profit or loss. The outstanding balance, which is unsecured and noninterest-bearing, for the same amount is presented as part of Other receivables under Receivables account in the consolidated statements of financial position (see Note 9).

#### ***26.4 Transactions with the Retirement Fund***

As discussed in Note 24.2, the Group is in the process of establishing a non-contributory post-employment benefit plan that is being administered by a trustee bank. The quoted equity securities included in the plan assets pertain to the shares of the Parent Company measured at its fair value as of December 31, 2025 and 2024.

#### ***26.5 Contract Revenues and Receivables***

The Group and BRADCO entered into certain construction contracts in 2016 and prior years whereby the Group undertook to complete the design and construction of the roads drainage system and underground utilities of certain lots situated at Aseana City. The construction was completed in 2017.

#### ***26.6 Other Income from Rendering of Administrative Services***

The Group recognized income amounting to P43.4 million, P43.0 million, and P41.1 million in 2025, 2024 and 2023, respectively, from rendering of various administrative services to its related parties and are included as part of Other Operating Income account in the consolidated statements of profit or loss (see Note 22.3). There are no outstanding receivables related to these transactions.

#### ***26.7 Contracts of Services***

The Group has a contract of services with a certain related party under common ownership and management. Under such contract, the same related party will provide consultancy, management, and labor services to the Group upon the latter's request. Total costs incurred related to these contracts amounted to P0.04 million, P2.6 million, and P7.5 million for the years ended December 31, 2025, 2024 and 2023, respectively, and are shown as part of Cost of construction contracts under Costs of Services and Sales account in the consolidated statements of profit or loss (see Note 21.3). There was no outstanding liability related to this transaction as of December 31, 2025 and 2024.

#### ***26.8 Key Management Personnel Compensation***

Compensation paid to key management personnel consist of short-term and post-employment benefits, which include among others, salaries and allowances, bonuses and other employee benefits totaling P67.6 million, P56.7 million, and P61.4 million in 2025, 2024 and 2023, respectively. There are no outstanding liabilities arising from this transaction.

## 27. EARNINGS PER SHARE

Basic and diluted earnings per share were computed as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net profit attributable to the equity shareholders of the Parent Company	<b>1,863,744,850</b>	2,080,197,087	7,301,008,039
Divided by weighted average number of outstanding common shares	<u><b>3,395,864,100</b></u>	<u>3,395,864,100</u>	<u>3,395,864,100</u>
Basic and diluted earnings per share	<u><b>0.549</b></u>	<u>0.613</u>	<u>2.150</u>

The Group has no potential dilutive common shares as of December 31, 2025, 2024 and 2023.

## 28. EQUITY

### *28.1 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 December 31, 2025 and 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 P5.0 per share and P5.2 per share as of December 31, 2025 and 2024, respectively.

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 (see Note 15).

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 2025 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 December 31, 2025 and 2024, there are 31 and 29, respectively, 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.

## 28.2 Revaluation Reserves

The movements of this account in 2025, 2024 and 2023 are as follows:

<i>(Amounts in PHP)</i>	<b>Investment Properties</b>	<b>Retirement Benefit Obligation</b> (see Notes 24.2 and 25)	<b>Financial Assets at FVOCI</b> (see Note 17.2)	<b>Total</b>
Balance as of January 1, 2025	19,047,893	(34,464,623)	(33,582,450)	(48,999,180)
Remeasurements of post-employment defined benefit plan	-	4,237,121	-	4,237,121
Fair value gain on financial assets at FVOCI	-	-	(608,268)	(608,268)
Other comprehensive income (loss) before tax	-	4,237,121	(608,268)	3,628,853
Tax income	-	(1,059,280)	-	(1,059,280)
Other comprehensive income (loss) after tax	-	3,177,841	(608,268)	2,569,573
Balance as of December 31, 2025	<b>19,047,893</b>	<b>(31,286,782)</b>	<b>(34,190,718)</b>	<b>(46,429,607)</b>
Balance as of January 1, 2024	19,047,893	(37,777,552)	(32,529,730)	(51,259,389)
Remeasurements of post-employment defined benefit plan	-	4,417,239	-	4,417,239
Fair value gain on financial assets at FVOCI	-	-	(1,052,720)	(1,052,720)
Other comprehensive income (loss) before tax	-	4,417,239	(1,052,720)	3,364,519
Tax income	-	(1,104,310)	-	(1,104,310)
Other comprehensive income (loss) after tax	-	3,312,929	(1,052,720)	2,260,209
Balance as of December 31, 2024	19,047,893	(34,464,623)	(33,582,450)	(48,999,180)
Balance as of January 1, 2023	19,047,893	(24,270,413)	(33,056,090)	(38,278,610)
Remeasurements of post-employment defined benefit plan	-	(18,009,520)	-	(18,009,520)
Fair value gain on financial assets at FVOCI	-	-	526,360	526,360
Other comprehensive income (loss) before tax	-	(18,009,520)	526,360	(17,483,160)
Tax expense	-	4,502,380	-	4,502,380
Other comprehensive income (loss) after tax	-	(13,507,140)	526,360	(12,980,780)
Balance as of December 31, 2023	19,047,893	(37,777,553)	(32,529,730)	(51,259,390)

In 2003, a certain parcel of land located in Quezon City, classified as property and equipment, was appraised by independent appraisers and resulted in revaluation increment of P19.0 million. Upon transition from Philippine Generally Accepted Accounting Principles (GAAP) to PFRS Accounting Standards, the carrying amount of the land, inclusive of prior revaluation effects, was treated as deemed cost. As the revaluation surplus represented an unrealized gain recognized prior to the adoption of PFRS Accounting Standards, such amount was retained in equity and was not reclassified to profit or loss. In 2007, upon change of the intention of the management, such parcel of land was transferred from property and equipment to investment property at the appraised amount of P30.4 million. As of December 31, 2025, the parcel of land is held by the management for capital appreciation. The related revaluation surplus continues to be presented under equity and will be transferred to retained earnings only upon derecognition of the land.

### **28.3 Retained Earnings**

In meetings held on August 14, 2025, December 23, 2013 and October 8, 2012, the Parent Company's BOD approved the appropriation of the unrestricted retained earnings of the Parent Company amounting to P3,000.0 million, P500.0 million and P700.0 million, respectively, necessary to cover the business expansion of the Group as part of its long term corporate strategy. The summary of the appropriation of unrestricted retained earnings is presented below.

<i>(Amounts in million PHP)</i>	<u>2025</u>	<u>2013</u>	<u>2012</u>
Appropriated retained earnings	<u>3,000</u>	<u>500</u>	<u>700</u>
Reason of appropriation	<b>Corporate expansion</b>		
Expected date of completion	2031 or until the expected completion of the ongoing development of its most recent building, which shall add to its existing portfolio of investment properties.		

Relative to this, the Group was able to complete two additional buildings under similar nature and purpose of its existing investment properties in 2017 and 2018. Also in 2018, the Group commenced the construction of a new building, which was completed in 2020. As of December 31, 2025, the Group has two additional ongoing projects for leasing activities, which are expected to be completed on various dates until 2030. Accordingly, management has retained the appropriation until the expected completion of the on-going development of its most recent projects, which shall add to its existing portfolio of investment properties.

As a matter of policy, stockholders may be entitled to receive, upon declaration by the Parent Company's BOD and subject to the availability of unrestricted retained earnings, dividends equivalent to at least 30% of the prior year's net income after tax based on the Parent Company's audited financial statements as of such year, except when: (i) justified by definite corporate expansion projects or programs approved by the Parent Company's BOD; (ii) when the Group is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or (iii) when it can be clearly shown that retention of earnings is necessary under special circumstances obtaining in the Group, such as when there is a need for special reserves for probable contingencies. The Group's retained earnings are restricted up to the extent of its accumulated equity shares in its associates and joint ventures as of the end of the reporting periods (see Note 13).

Also in 2023, prior to the acquisition of additional ownership interest in BRADCO, its BOD approved the declaration of cash dividends of P4.35 per share to its stockholders of records as of November 14, 2023. Of the total cash dividends, P17.5 million is attributable and fully paid to other shareholders of BRADCO in 2023 (see Note 13.3). No similar declaration of dividends were made in 2022 and 2021.

Summarized below is the summary of declaration of cash dividends of the Parent Company:

<u>Year</u>	<u>Cash dividend per share (Amounts in PHP)</u>	<u>Total (Amounts in PHP)</u>	<u>Record date</u>	<u>Source of Dividends</u>	<u>Year paid</u>
2025	0.09500000	322,607,090	April 11, 2025	Unrestricted retained earnings	2025
2024	0.078971515	268,176,532	April 12, 2024		2024
2023	0.074973580	254,600,089	April 12, 2023		2023

Subsequently, on March 12, 2026, the Parent Company's BOD approved the declaration of cash dividends of P0.10 per share or equivalent to P339.6 million to stockholders of record as of April 10, 2026. The dividends, which is payable on April 28, 2026, shall be taken out of the unrestricted earnings of the Parent Company as of December 31, 2025 (see Note 32).

#### ***28.4 Other Reserves***

Other Reserves account in the consolidated statements of financial position includes the excess of the consideration paid by the Group for the additional 40% direct ownership in FI and the excess minority share in net assets of UCTPI over the cost of additional investments acquired by the Group in previous years which amounted to P297.4 million and P21.4 million, respectively.

## **29. COMMITMENTS AND CONTINGENCIES**

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

### ***29.1 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 periods are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Within one year	<b>1,920,150,445</b>	2,135,839,242	1,703,031,469
After one year but not more than two years	<b>1,802,384,483</b>	2,050,369,193	1,629,031,509
After two years but not more than three years	<b>1,493,960,941</b>	1,837,729,791	1,388,006,000
After three years but not more than four years	<b>1,297,026,301</b>	1,412,319,494	1,228,009,653
After four years but not more than five years	<b>1,157,451,593</b>	1,176,051,665	868,806,446
More than five years	<b>39,357,956,260</b>	41,383,911,270	37,581,416,622
	<b><u>47,028,930,023</u></b>	<u>49,996,220,655</u>	<u>44,398,301,699</u>

The total rent income recognized on investment properties amounted to P2,733.4 million, P2,774.4 million and P2,263.7 million, including rent income resulting from the application of the straight-line basis of revenue recognition in accordance with PFRS 16 amounting to P670.6 million, P890.1 million and P753.9 million in 2025, 2024 and 2023, respectively, and are presented as Land and Building Rentals under Revenues account in the consolidated statements of profit or loss.

Variable rent, which pertains to a certain percentage share in the lessees' revenues, is included as part of total rent income amounting to P30.0 million, P27.5 million and P32.7 million in 2025, 2024 and 2023, respectively.

The Group is subject to risks associated with the rights it retains in the properties it leases, such as alterations made by the lessee that may impair the value of the leased properties. To manage the exposure on such risks, the Group exercises strict control over the fit-out process and no alterations are allowed to be made without prior approval of the Group. The Group also requires security deposits and advance rentals equivalent to at least three months of rent. Moreover, the Group retains its right to inspect the leased properties over the lease term. In case of expiration of lease term or early termination due to the default of the lessee, the Group is entitled to the improvements installed on the leased properties without any obligation to reimburse the lessee for the costs of improvements.

## ***29.2 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.

## ***29.3 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.

With respect to the deficiency tax assessment for taxable year 2009, the Court of Tax Appeals (CTA) En Banc rendered a decision favorable to the Parent Company on February 6, 2025, which was affirmed by a Resolution dated November 18, 2025, denying the Commissioner of Internal Revenue's (CIR) motion for reconsideration. The CIR received the Resolution on November 26, 2025, and subsequently filed, on December 5, 2025, a Motion for Extension of Time to file a Petition for Review on Certiorari before the Supreme Court. On January 9, 2026, however, the CIR withdrew its motion and manifestly abandoned further judicial recourse, praying for the termination of the case. The withdrawal effectively resolves the proceedings, subject to the issuance of the appropriate court resolutions and Entry of Judgment, and will result in the final cancellation of the deficiency tax assessment and related penalties for taxable year 2009.

#### ***29.4 Capital Commitments in Aseana City***

Aseana City is an integrated community currently being developed by the Group, which is situated on the land reclaimed by the Group and home of several entertainment, commercial and residential establishments. The Group has capital commitments pertaining to the estimated development costs (i.e., civic and structural works; power, water and telecommunication distribution systems; roadworks and streetlights; drainage and sewerage systems; and, the estimated restoration costs thereto) of such parcels of land whereby the Group has an unconditional obligation to complete the development of the parcels of land in accordance with the entire estate of Aseana City. The estimated liability for land development costs is based on the estimates of the engineering department of the Parent Company. The details of these capital commitments in Aseana City are shown below.

<i>(Amounts in PHP)</i>	<b>Land and Land Development Costs</b> <i>(see Note 11)</i>	<b>Land under Investment Properties</b> <i>(see Note 15)</i>	<b>Total</b>
<b>December 31, 2025:</b>			
Gross valuation	12,391,823,101	17,139,092,374	29,530,915,475
Estimated liability for land development costs	<u>(546,782,481)</u>	<u>(4,916,071,518)</u>	<u>(5,462,853,999)</u>
<b>Net amounts</b>	<b><u>11,845,040,620</u></b>	<b><u>12,223,020,856</u></b>	<b><u>24,068,061,476</u></b>
<b>December 31, 2024:</b>			
Gross valuation	12,391,823,101	17,139,092,374	29,530,915,475
Estimated liability for land development costs	<u>(668,736,064)</u>	<u>(5,127,831,107)</u>	<u>(5,796,567,171)</u>
<b>Net amounts</b>	<b><u>11,723,087,037</u></b>	<b><u>12,011,261,267</u></b>	<b><u>23,734,348,304</u></b>

The movements in the estimated land development costs are as follows:

<i>(Amounts in PHP)</i>	<b>2025</b>	<b>2024</b>
Balance at beginning of year	<b>5,796,567,171</b>	6,010,480,236
Development costs incurred during the year	<b><u>(333,713,172)</u></b>	<u>(213,913,065)</u>
<b>Balance at end of year</b>	<b><u>5,462,853,999</u></b>	<u>5,796,567,171</u>

### ***29.5 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 December 31, 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.

### ***29.6 Project Advances***

The Company has the following project advances as of December 31, 2025 and 2024:

#### ***(a) Mandaue Reclamation Project***

In prior years, the Group entered into a Contract of Reclamation with the City of Mandaue, Cebu. In 2018, the Construction Industry Arbitration Commission issued the Writ of Execution ordering the City of Mandaue to honor the Contract of Reclamation, and the parties to comply with their reciprocal obligations therein, without prejudice to the parties agreeing to alternative reclamation sites to avoid further delay in the implementation of the contract. The Group may opt to be paid either in the form of land or cash proceeds from the sale of land to be reclaimed. However, in 2022, the Contract of Reclamation became a subject of dispute whereby the same project was awarded to another third party, who contracted a subcontractor thereto, by the City of Mandaue. Recognizing the dispute amongst the foregoing parties, the Group filed a petition in June 2022 before the Court of Appeals arguing that the Group is an indispensable original party to the project and should be impleaded first before the resolution of dispute among the aforementioned parties. As of December 31, 2022, the management assessed that it has sufficient legal grounds to receive a favorable judgment on the subject matter. Unfortunately, in May 2023, the petition was dismissed by the Court of Appeals while the Motion for Reconsideration was likewise denied in July 2023.

(b) *Cagayan Coal Project*

In prior years, the Group was awarded a Coal Operating Contract located in Cagayan Province. In 2013, the Group secured an Environmental Compliance Certificate, while in 2015, the Group completed a detailed Mine Plan for supply purposes for a period of 25 years. There were also several resolutions and approvals from the local government units in 2016 and 2017 obtained by the Group supporting the project while the Group had continued to pursue the project thereafter. However, in December 2020, the Department of Energy issued a memorandum representing a moratorium on the endorsement for greenfield coal-fired power plant projects. Immediately thereafter, the Group conducted a two-year study to develop a proposal with revisions to the existing project that will be acceptable to the local government and the power sector stakeholders and businesses. In 2023, the Group formally proposed to supply coal to potential coal end-users in the same region and presented the Revised Mine-mouth Power Plant project to power stakeholders and businesses. However, the Group was not able to find a market due to coal quality and financial feasibility factors.

As a result of the foregoing developments, in 2023, the Group has assessed that it may no longer be feasible to pursue the projects and the related project advances may no longer be recoverable. Consequently, the Group recognized an allowance for impairment aggregating to P120.3 million, which is presented as part of Impairment loss under General and Administrative Expenses account in the 2023 consolidated statement of profit or loss. There were no similar transactions in 2025 and 2024.

***29.7 Unutilized Loan Facility***

As of December 31, 2025 and 2024, the Group has an unutilized loan facility with certain local banks amounting to P10,639.6 million and P10,960.2 million, respectively, which is available to support working capital and liquidity needs.

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

<i>(Amounts in PHP)</i>	Notes	<u>2025</u>	<u>2024</u>
Total loans and borrowings	18	<b>3,185,416,666</b>	2,864,833,333
Less: Cash and cash equivalents	8	<b>(4,571,850,964)</b>	(4,631,655,073)
Net loans and borrowings (a)		<b>(1,386,434,298)</b>	(1,766,821,740)
 Total equity		 <b><u>41,986,879,192</u></b>	 <u>40,381,750,962</u>
 Net loans and borrowings and equity (b)		 <b><u>40,600,444,894</u></b>	 <u>38,614,929,222</u>
 Gearing ratio (a/b)		 <b><u>-3%</u></b>	 <u>-5%</u>

Certain loans with a local bank are subject to a cross default arrangement wherein if the Group fails to pay or default in the payments of any installment of the principal or interest, the Group's obligation will become due and demandable without the need for notice of demand for payment. Moreover, if the Group fails to comply with or commits breach or violation of any term, condition or stipulation of any other agreement, contract, or document with the lending bank, the Group's obligation to the lending bank and any of the lending bank's related parties will only become due and demandable upon notice of demand for payment.

As of December 31, 2025 and 2024, the Group is in compliance with the loan covenants requiring a debt-to-equity ratio of 2.0x (see Note 18).

### 31. SUPPLEMENTAL INFORMATION ON NON-CASH ACTIVITIES

The following discusses the supplemental information on non-cash activities as presented in the consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023:

- In 2024, the Group gained ownership on a certain leasehold improvement located in the Group's investment property due to termination of the related lease, and recognized a gain amounting to P276.8 million which as recognized as part of Other operating income in the 2024 consolidated statement of profit or loss. (see Note 15).
- As a result of the acquisition of additional ownership interest in BRADCO in 2023, the Group recognized the assets and liabilities of the subsidiary in the consolidated financial statements as of December 31, 2023 (see Note 13.3).
- In 2025, 2024 and 2023, the capitalized borrowing costs to investment properties amounted to P13.8 million, P5.8 million and P57.0 million, respectively (see Notes 15 and 18).
- In 2023, the capitalized borrowing costs to property development costs amounted to P61.0 million (see Notes 10 and 18).

- In 2025, 2024 and 2023, the Group capitalized certain portion of depreciation of property and equipment amounting to P27.5 million, P0.8 million, and P10.1 million, respectively, as part of land and land development costs (see Note 14).
- In 2023, the Group capitalized certain portion of amortization of right-of-use asset amounting to P5.5 million and interest expense on lease liability amounting to P0.1 million, as part of property development costs (see Notes 10 and 16).

### **32. EVENT AFTER THE END OF THE REPORTING PERIOD**

On January 9, 2026, the CIR withdrew its motion to seek further judicial review of the deficiency tax assessment covering taxable year 2009 and prayed for the termination of the said case (see Note 29.3).

On March 12, 2026, the Parent Company's BOD approved the declaration of cash dividends of P0.10 per share or equivalent to P339.6 million to stockholders of record as of April 10, 2026. The dividends, which is payable on April 28, 2026, shall be taken out of the unrestricted earnings of the Parent Company as of December 31, 2025 (see Note 28.3).



**P&A**  
**Grant Thornton**

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

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**The Board of Directors and Stockholders**  
**D.M. Wenceslao & Associates, Incorporated and Subsidiaries**  
**(A Subsidiary of Wendel Holdings Co., Inc.)**  
15<sup>th</sup> Floor, Aseana 3  
D. Macapagal Blvd. corner Asean Ave., Aseana City  
Parañaque City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of D.M. Wenceslao & Associates, Incorporated and Subsidiaries (the Group) for the year ended December 31, 2025, on which we have rendered our report dated March 12, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

**PUNONGBAYAN & ARAULLO**

  
By: **Niccolo Ian N. Unera**  
Partner

CPA Reg. No. 0146692  
TIN 428-513-274  
PTR No. 10770776, January 6, 2026, Makati City  
SEC Group A Accreditation  
Partner - No. 146692-SEC (until financial period 2029)  
Firm - No. 0002 (until financial period 2030)  
BIR AN 08-002551-052-2023 (until November 23, 2026)  
BOA/PRC Cert. of Reg. No. 0002/P-021 (until August 12, 2027)

March 12, 2026

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
**LIST OF SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2025**

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*\*Information presented herein are based on the separate financial statements of D.M. Wenceslao & Associates, Incorporated*

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

SEC Released Revised SRC Rule 68

Annex 68-J

Schedule A - Financial Assets

December 31, 2025

(Amounts in Philippine Pesos)

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount	Amount Shown in the Consolidated Statement of Financial Position	Value Based on Market Quotation at Statement of Condition Date	Income Received and Accrued
<b>FINANCIAL ASSETS AT AMORTIZED COST</b>				
Cash and cash equivalents		P 4,571,850,964	P 4,571,850,964	P 145,562,103
Receivables - net		9,519,630,451	9,519,630,451	-
Refundable deposits		<u>85,454,443</u>	<u>85,454,443</u>	<u>-</u>
		<u>14,176,935,858</u>	<u>14,176,935,858</u>	<u>145,562,103</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<b>Equity Securities</b>				
Arthaland Corporation	350,000	34,610,000	34,610,000	-
Petron Corporation	7,500	7,275,000	7,275,000	-
San Miguel Corporation	50,000	4,972,500	4,972,500	-
Ayala Corporation	50,000	4,938,500	4,938,500	-
<b>Debt Security</b>				
P1B Global Holdings PTE Ltd.	5,289,370	<u>5,303,288</u>	<u>5,303,288</u>	<u>-</u>
		<u>57,099,288</u>	<u>57,099,288</u>	<u>-</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>				
<b>Equity Securities</b>				
Powersource Philippine Distributed Power Holdings, Inc.	72,453,780	37,941,187	37,941,187	-
Tagaytay Highland International Golf Club Inc.	1	2,000,000	2,000,000	-
Tagaytay Midland Golf Club	1	1,850,000	1,850,000	-
Quezon City Sport Club	1	800,000	800,000	-
Alphaland City Club	1	450,000	450,000	-
Philippine Long Distance Telephone Company	1	4,363	4,363	-
Philippine Construction Association	1	<u>1,000</u>	<u>1,000</u>	<u>-</u>
		<u>43,046,550</u>	<u>43,046,550</u>	<u>-</u>
<b>GRAND TOTAL</b>		<b><u>P 14,277,081,696</u></b>	<b><u>P 14,277,081,696</u></b>	<b><u>P 145,562,103</u></b>

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

SEC Released Revised SRC Rule 68

Annex 68-J

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

December 31, 2025

(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected/Offset	Amounts Written-off	Current	Not Current	
<b>Amounts Receivable from Related Parties</b>							
Wendel Holdings Co., Inc.	P 471,585,396	-	-	P -	P 471,585,396	P -	P 471,585,396
Stockholders	109,539,670	652,813	-	-	110,192,483	-	110,192,483
Wendel Vega Marine Carrier	42,143,025	-	-	-	42,143,025	-	42,143,025
Wendel Ground Improvement, Inc	25,388,562	-	-	-	25,388,562	-	25,388,562
Urban Agro Products, Inc.	20,126,657	-	-	-	20,126,657	-	20,126,657
Wendel Construction Co., Inc.	5,157,027	-	-	-	5,157,027	-	5,157,027
Bay Security Services, Inc.	4,906,027	-	-	-	4,906,027	-	4,906,027
10k South Concrete Mix	4,827,265	-	-	-	4,827,265	-	4,827,265
Wendel Osaka Realty Corporation	1,676,539	-	-	-	1,676,539	-	1,676,539
Aseana Power Station Association, Inc.	818,930	-	-	-	818,930	-	818,930
European Resources & Technologies, Inc.	758,927	-	-	-	758,927	-	758,927
Cagayan Economic Development	750,000	-	-	-	750,000	-	750,000
Cagayan Valley Bio Energy	539,500	-	-	-	539,500	-	539,500
Aseana Urban Art Foundation	270,434	-	-	-	270,434	-	270,434
Patriot Log Home Asia, Inc.	80,726	-	-	-	80,726	-	80,726
Others	69,351,111	16,604,438	-	-	85,955,549	-	85,955,549
<b>TOTAL</b>	<b>P 757,919,796</b>	<b>P 17,257,251</b>	<b>P -</b>	<b>P -</b>	<b>P 775,177,047</b>	<b>P -</b>	<b>P 775,177,047</b>

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

SEC Released Revised SRC Rule 68

Annex 68-J

Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

December 31, 2025

(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Amounts Written-off	Current	Not Current	
<b>Amounts Receivable from Related Parties Eliminated During Consolidation:</b>							
Ascana Holdings, Inc.	P 2,929,471,195	P 161,951,854	P 489,775,174	P -	P 153,520,340	P 2,448,127,535	P 2,601,647,875
Ascana Residential Holdings Corp	202,280,000	53,711,523	-	-	53,690,233	202,301,290	255,991,523
D.M. Wenceslao & Associates, Inc	56,383,316	-	-	-	-	56,383,316	56,383,316
Boracay International Airport & Dev't Corp.	48,867,287	-	-	4,722,656	44,144,631	-	44,144,631
Alphaland Bay City Corporation	13,601,442	265,647	-	-	13,867,089	-	13,867,089
Ascana City Transport & Travel Corp.	9,901,522	-	-	-	9,901,522	-	9,901,522
Fabricom Inc	8,818,750	-	-	-	8,818,750	-	8,818,750
Gallio Events Inc	8,658,440	206,873	2,854,004	-	6,011,309	-	6,011,309
Portal Holdings, Inc.	4,309,566	3,000,000	-	-	7,309,566	-	7,309,566
Ascana Resi Rent Corp.	2,277,306	-	-	-	2,277,306	-	2,277,306
Bay Dredging, Inc.	1,420,828	285,532	-	-	1,706,360	-	1,706,360
R-1 Consortium, Inc.	1,250,000	335,634	-	-	1,585,634	-	1,585,634
Ascana Real Estate Services & Management Corp	1,023,408	271,102	-	-	1,294,510	-	1,294,510
Ascana Gas Energy Corp.	657,451	-	-	-	657,451	-	657,451
Mandaue Land Consortium, Inc.	642,937	409,887	-	-	1,052,824	-	1,052,824
58 Jupiter Inc.	279,731	-	-	-	279,731	-	279,731
SHLP BBP Realty, Inc.	145,726	187,623	-	-	333,349	-	333,349
Fabricom Realty Development Corporation	-	97,020	-	-	97,020	-	97,020
Bay Area Holdings, Inc.	-	5,000,000	-	-	5,000,000	-	5,000,000
Others	5,716,852	6,892,103	-	-	12,608,955	-	12,608,955
	<b>P 3,295,705,757</b>	<b>P 232,614,798</b>	<b>P 492,629,178</b>	<b>P 4,722,656</b>	<b>P 324,156,580</b>	<b>P 2,706,812,141</b>	<b>P 3,030,968,721</b>

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

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Annex 68-J

Schedule D - Long-term Debt

December 31, 2025

*(Amounts in Philippine Pesos)*

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Consolidated Statement of Financial Position	Amount Shown Under Caption "Long-term Debt" in related Consolidated Statement of Financial Position
Security Bank of the Philippines Loans payable		P 591,666,666	P 1,500,000,000
BPI Family Savings Bank Term loan		<u>125,000,000</u>	<u>968,750,000</u>
<b>TOTAL</b>		<b><u>P 716,666,666</u></b>	<b><u>P 2,468,750,000</u></b>

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

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Annex 68-J

Schedule E - Indebtedness to Related Parties (Non-current Liabilities)

December 31, 2025

*(Amounts in Philippine Pesos)*

Name of Related Party	Balance at Beginning of Period	Balance at End of Period	Purpose
-----------------------	-----------------------------------	-----------------------------	---------

Not Applicable

The Group does not have non-current indebtedness to related parties as at December 31, 2025.

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

SEC Released Revised SRC Rule 68

Annex 68-J

Schedule F - Guarantees of Securities of Other Issuers

December 31, 2025

*(Amounts in Philippine Pesos)*

Name of Issuing Entity of Securities Guaranteed by the Company for which This Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which This Statement is Filed	Nature of Guarantee
--	---	---	--	---------------------

Not Applicable

The Group does not have any guarantee of securities of Other Issuers as at December 31, 2025.

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

SEC Released Revised SRC Rule 68

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Schedule G - Capital Stock

December 31, 2025

*(Amounts in Philippine Pesos)*

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under the Related Statement of Condition Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common shares, P1.00 Par Value	4,000,000,000	3,395,864,100	-	2,715,353,526	132,357	680,378,217

**D. M. WENCESLAO & ASSOCIATES, INCORPORATED**  
**15<sup>th</sup> Floor, Aseana 3**  
**D. Macapagal Blvd. corner Asean Ave., Aseana City, Parañaque City**  
**Reconciliation of Retained Earnings Available for Dividend Declaration**  
**As of and for the year ended December 31, 2025**

<b>Unappropriated Retained Earnings at Beginning of Year</b>		<b>P 12,241,845,048</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	<u>-</u>	
<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	<u>-</u>	( <u>3,322,607,090</u> )
<b>Unappropriated Retained Earnings at Beginning of Year, as adjusted</b>		8,919,237,958
<b>Add: Net Income for the Current Year</b>		870,345,587
<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	( <u>624,062,000</u> )	
Sub-total		( <u>624,062,000</u> )
<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	<u>-</u>	
Sub-total		<u>-</u>
<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	<u>-</u>	
Sub-total		<u>-</u>
<i>Balance carried forward</i>		
<b>Adjusted Net Income</b>		<b>P 9,165,521,545</b>

*Balance brought forward*

**Adjusted Net Income** **P 9,165,521,545**

**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	<u>-</u>	<u>-</u>

**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	<u>-</u>	<u>-</u>

**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	( <u>32,750,118</u> )	
Sub-total		( <u>32,750,118</u> )

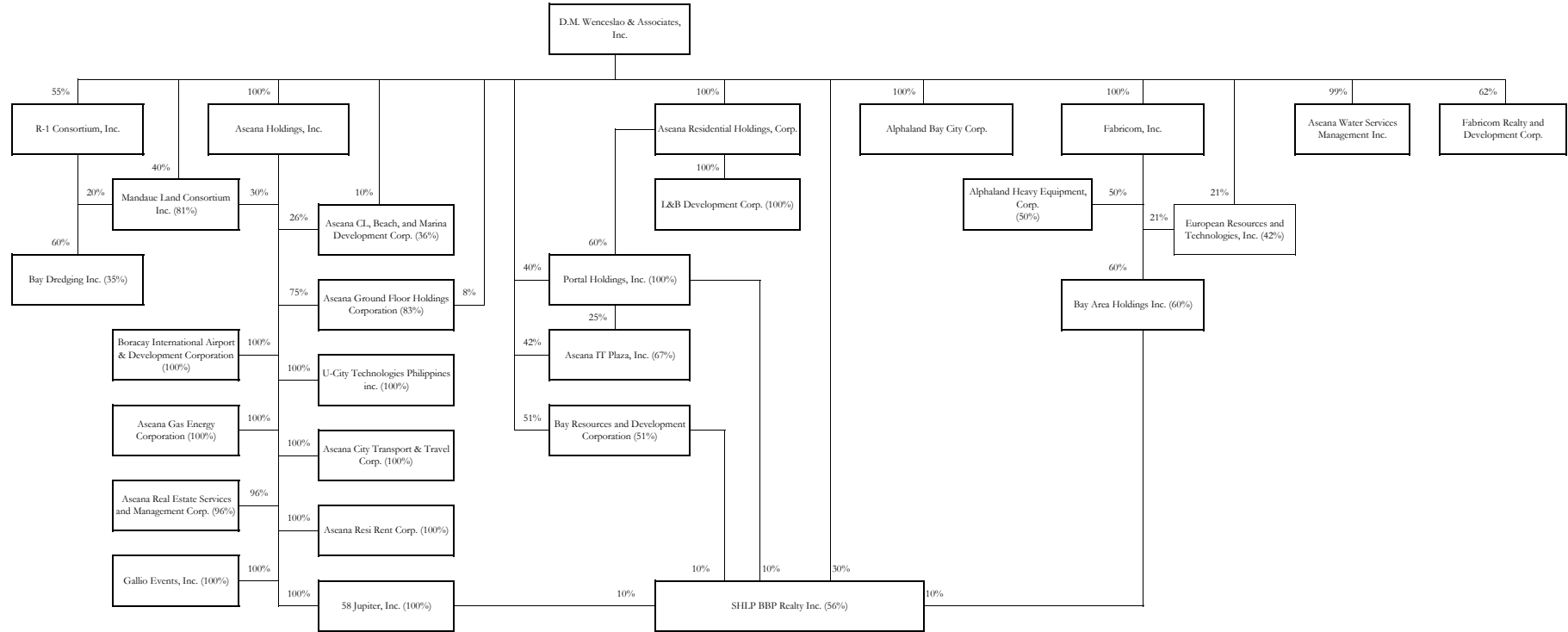
**Unappropriated Retained Earnings Available for Dividend Distribution at End of Year** **P 9,132,771,427**

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

SEC Released Revised SRC Rule 68

Annex 68-J

15<sup>th</sup> floor, Ascana 3 D. Macapagal Blvd. corner Ascana Ave., Ascana City, Parañaque City  
December 31, 2025



**D. M. WENCESLAO & ASSOCIATES, INCORPORATED**  
 15<sup>th</sup> Floor, Aseana 3  
 D. Macapagal Blvd. corner Asean Ave., Aseana City, Parañaque City  
 Supplemental Schedule of Financial Soundness Indicators  
 December 31, 2025 and 2024

RATIO	FORMULA	AMOUNT	2025	RATIO	FORMULA	AMOUNT	2024
Current Ratio	Total Current Asset/ Total Current Liabilities		<b>3.25</b>	Current Ratio	Total Current Asset/ Total Current Liabilities		3.24
	Current Asset	25,750,042,758			Current Asset	25,568,290,820	
	Current Liabilities	7,934,882,009			Current Liabilities	7,882,670,024	
	Current Ratio	<u>3.25</u>			Current Ratio	<u>3.24</u>	
Acid Test Ratio	Quick Assets (Total Current Assets less Other Current Assets) divided by Total Current Liabilities		<b>1.06</b>	Acid Test Ratio	Quick Assets (Total Current Assets less Other Current Assets) divided by Total Current Liabilities		1.02
	Current Assets	25,750,042,758			Current Assets	25,568,290,820	
	Less: Contract Asset	(1,641,231,423)			Less: Contract Asset	(1,706,603,706)	
	Land and Land Development Cost	(11,842,953,967)			Land and Land Development Cost	(11,723,087,039)	
	Property Development Cost	(2,530,169,638)			Property Development Cost	(2,567,674,557)	
	Other Current Assets	(1,363,099,763)			Other Current Assets	(1,505,752,998)	
	Quick Assets	8,372,587,967			Quick Assets	8,065,172,520	
	Total Current Liabilities	7,934,882,009			Total Current Liabilities	7,882,670,024	
	Acid test ratio	<u>1.06</u>			Acid test ratio	<u>1.02</u>	
Solvency Ratio	Total Assets Divided by Total Liabilities		<b>4.21</b>	Solvency Ratio	Total Assets Divided by Total Liabilities		4.02
	Total Assets	55,073,515,166			Total Assets	53,740,987,979	
	Total Liabilities	13,086,635,974			Total Liabilities	13,359,237,017	
	Solvency Ratio	<u>4.21</u>			Solvency Ratio	<u>4.02</u>	
Debt-to-equity ratio	Total Loans and Borrowings divided by Total Stockholders' Equity		<b>0.08</b>	Debt-to-equity ratio	Total Loans and Borrowings divided by Total Stockholders' Equity		0.07
	Loans and Borrowings	3,185,416,666			Loans and Borrowings	2,864,833,333	
	Stockholders' Equity	41,986,879,192			Stockholders' Equity	40,381,750,962	
	Debt to equity ratio	<u>0.08</u>			Debt to equity ratio	<u>0.07</u>	
Asset to equity ratio	Total Assets divided by Total Stockholders' Equity		<b>1.31</b>	Asset to equity ratio	Total Assets divided by Total Stockholders' Equity		1.33
	Total Assets	55,073,515,166			Total Assets	53,740,987,979	
	Stockholders' Equity	41,986,879,192			Stockholders' Equity	40,381,750,962	
	Asset to Equity Ratio	<u>1.31</u>			Asset to Equity Ratio	<u>1.33</u>	
Interest Rate Coverage Ratio	Earnings before interest taxes (EBIT) divided by total interest		<b>12.54</b>	Interest Rate Coverage Ratio	Earnings before interest taxes (EBIT) divided by total interest		16.44
	EBIT*	2,444,141,549			EBIT	2,666,607,561	
	Total Interest **	194,903,473			Total Interest **	162,193,531	
	Interest Rate coverage ratio	<u>12.54</u>			Interest Rate coverage ratio	<u>16.44</u>	

\* Excludes the gain on remeasurement of previously-held equity interest in a joint venture

\*\* Includes interest expense and capitalized interest from bank loans

RATIO	FORMULA	AMOUNT	2025	RATIO	FORMULA	AMOUNT	2024
Return on Equity	Net profit divided by Average total equity		0.05	Return on Equity	Net profit divided by Average total equity		0.05
	Net profit divided by Average total equity	1,925,165,747			Net profit divided by Average total equity	2,123,012,830	
	Return on Equity	<u>41,184,315,077</u>	0.05		Return on Equity	<u>39,535,973,403</u>	0.05
Return on Asset	Net profit divided by Average total asset		0.04	Return on Asset	Net profit divided by Average total asset		0.04
	Net profit divided by Average total asset	1,925,165,747			Net profit divided by Average total asset	2,123,012,830	
	Return on Equity	<u>54,407,252,073</u>	0.04		Return on Equity	<u>53,046,067,831</u>	0.04
Net profit Margin	Net profit divided by Total Revenue		0.50	Net profit Margin	Net profit divided by Total Revenue		0.57
	Net Profit	1,925,165,747			Net Profit	2,123,012,830	
	Net Profit Margin	<u>3,815,832,005</u>	0.50		Net Profit Margin	<u>3,695,722,975</u>	0.57
Debt Ratio	Total Loans and Borrowings divided by Total Assets		0.06	Debt Ratio	Total Loans and Borrowings divided by Total Assets		0.05
	Loans and Borrowings	3,185,416,666			Loans and Borrowings	2,864,833,333	
	Debt Ratio	<u>55,073,515,166</u>	0.06		Debt Ratio	<u>53,740,987,979</u>	0.05
Gross Profit Margin	Gross Profit divided by Total Revenue		0.78	Gross Profit Margin	Gross Profit divided by Total Revenue		0.79
	Gross Profit	2,992,078,663			Gross Profit	2,914,754,145	
	Gross Profit Margin	<u>3,815,832,005</u>	0.78		Gross Profit Margin	<u>3,695,722,975</u>	0.79

**D.M. Wenceslao & Associates, Incorporated**  
**SEC Released Revised SRC Rule 68**  
**Supplementary Schedule of External Auditor Fee-Related Information**  
**For the Years Ended December 31, 2025 and 2024**

<b>Audit and Non-audit fees of the Parent Company</b>	<u>2025</u>	<u>2024</u>
<b>Total Audit Fees</b>	<b>P 1,027,950</b>	P 979,000
Non-audit service fees:		
Other assurance service	-	500,000
Tax service	-	-
All other service	-	-
<b>Total Non-Audit Fees</b>	<u>-</u>	<u>500,000</u>
<b>Total Audit and Non-audit Fees</b>	<b><u>P 1,027,950</u></b>	<b><u>P 1,479,000</u></b>
<b>Audit and Non-audit fees of other related entities</b>	<u>2025</u>	<u>2024</u>
Audit fees	<b>P 3,347,085</b>	P 3,168,538
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	<u>-</u>	<u>-</u>
<b>Total Audit and Non-audit Fees of other related entities</b>	<b><u>P 3,347,085</u></b>	<b><u>P 3,168,538</u></b>

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES**  
**INDEX TO SUSTAINABILITY REPORT**

**FORM 14-A, ITEM 7**

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# **2025 Chapter on Sustainability**

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## ABOUT THIS CHAPTER

Tenets of sustainability have long been embedded throughout the operations, building practices, and overall business philosophy of D.M. Wenceslao & Associates, Inc. (“DMW” or “the Company”). This year, DMW continues to report on the progress of its sustainability journey through its Five Pillars of Sustainability.

This chapter has been written in accordance with the Philippine Securities and Exchange Commission (SEC)'s annual sustainability reporting requirements and is informed by globally recognized Sustainability Reporting standards. It showcases how environmental, social, and governance (ESG) impacts, risks, and opportunities are managed across the Company's operations, in alignment with DMW's material Sustainability topics and the United Nations Sustainable Development Goals (SDGs).

## COMPANY INFORMATION

### Company Details

D.M. Wenceslao & Associates, Incorporated (“DMW” or “the Company”) is an integrated property developer specializing in land reclamation, construction, and real estate development. DMW is an AAAA licensed contractor with over a 60-year corporate history. Since 1965, the Company has reclaimed more than 2.4 million sqm of land, leased out or developed 400,000 sqm of land and buildings, and completed over 140 construction and infrastructure projects, including large, complex government developments throughout the Philippines.

DMW is the master developer and primary owner of Aseana City, with a total land area of 107.5 hectares located along the coastal waters of Manila Bay, bordering the City of Pasay and the City of Parañaque. Table 1 shows DMW's operational commercial and residential assets as of writing.

**Table 1. Operational DMW Assets**

Project	Location
Aseana One	Aseana City, Parañaque City, Metro Manila
Aseana Two	Aseana City, Parañaque City, Metro Manila
Aseana Three	Aseana City, Parañaque City, Metro Manila
Aseana Power Station	Aseana City, Parañaque City, Metro Manila
Aseana Square	Aseana City, Parañaque City, Metro Manila
Aseana Town Center	Aseana City, Parañaque City, Metro Manila
S&R Building (Second Floor)	Aseana City, Parañaque City, Metro Manila
8912 Asean Ave	Aseana City, Parañaque City, Metro Manila
Parqal	Aseana City, Parañaque City, Metro Manila
Pixel Residences	Aseana City, Parañaque City, Metro Manila
DMWAI Building	Quezon City, Metro Manila

58 Jupiter	Jupiter, Makati City, Metro Manila
Erlag Building	Legazpi, Makati City, Metro Manila

DMW is headquartered in Aseana 3, Asean Ave cor. Diosdado Macapagal Blvd, Aseana City, Parañaque, Metro Manila.

### Scope

This chapter covers the key performance indicators for the Company's material ESG topics from January 1 to December 31, 2025. This report highlights DMW's year-over-year (YoY) performance in various ESG categories and key sustainability activities and performance.

The information contained in this chapter applies to the legal entities and properties within these entities indicated below:

- Aseana Residential Holdings Corp. (ARHC) – wholly-owned DMW subsidiary and exclusive residential arm. ARHC currently has two low-density residential projects within its portfolio:
  - Pixel Residences, a 170-unit development currently on ready-for-occupancy (RFO) status
  - MidPark Towers, a 4-tower development with 668 large format units (currently under construction and not included in this report)
- Aseana Holdings, Inc. (AHI) – 100% owned DMW subsidiary that caters to the development potential of Aseana City. The following completed office and commercial properties under AHI: Aseana One, Aseana Two, Aseana Three, 8912 Asean Ave, Aseana Powerstation, Aseana Square, and Parqal are covered in this report.
- U-City Technologies Philippines, Inc. – operates the smart city, public city, and surveillance services for Aseana City.
- Aseana City Transport and Travel Corporation – established to operate public utility transport services for Aseana City.
- Fabricom, Inc. – operates the importation of heavy equipment and machinery for the Group. DMW Field Office serves as the main office for Fabricom, Inc.
- Aseana Real Estate Services and Management Corporation – operates the property management services of the Group.

Mr. Benigno A. Tatunay, DMW's Chief Finance Officer, is the highest-ranking person responsible for this report.

## **MATERIALITY PROCESS**

### **Materiality**

In accordance with the Philippine Securities and Exchange Commission (SEC) Guidelines, this chapter is informed by the principle of materiality, focusing on the economic, environmental, social, and governance (ESG) aspects of DMW's operations. It highlights the company's approach to managing the material ESG topics that are most significant to stakeholders and business operations.

In 2025, DMW undertook a comprehensive Materiality Assessment to ensure that its Material Sustainability Issues remain responsive to an evolving business environment, regulatory developments, and stakeholder expectations.

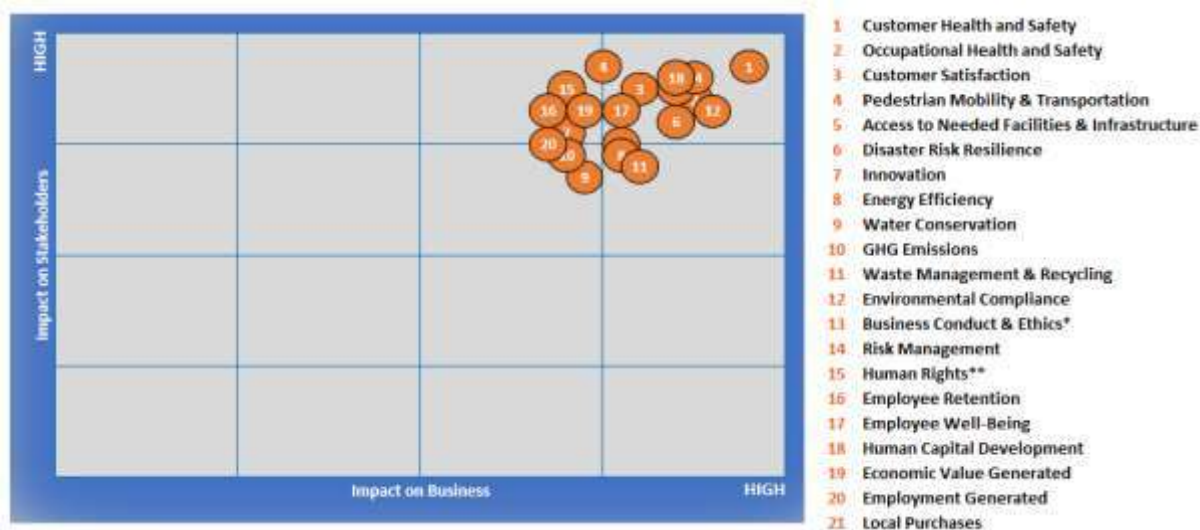
The process involved a multi-dimensional approach, including:

- Stakeholder Engagement Surveys: Capturing insights from investors, employees, tenants, business partners, regulatory bodies, and local communities.
- Two-Way Dialogues: Facilitating open discussions within DMW's workforce to align internal perspectives on sustainability priorities.
- Senior Leadership Sustainability Workshops: Engaging executives in ranking and prioritizing ESG issues based on business impact and stakeholder relevance.
- Alignment with Global Frameworks: Benchmarking against global sustainability reporting standards

The 2025 assessment reaffirmed the continued relevance of the Material Sustainability Issues initially identified in 2021. While the relative positioning of certain topics within the Materiality Matrix has again shifted, reflecting evolving risk dynamics and stakeholder considerations, DMW's core ESG priorities have remained consistent.

DMW's Material Sustainability Issues are aligned with the company's core values, mission, and vision. The accompanying Materiality Matrix visually represents DMW's evaluation of these topics, highlighting their significance to both business operations and stakeholder relationships. Each issue has undergone rigorous review and has been formally endorsed by the Chief Executive Officer.

**Figure 1. Material Sustainability Issues**



\*Business Conduct and Ethics include Corruption & Bribery, Fair-dealing, Whistle Blowing, and Data Privacy

\*\*Human Rights include Child labor, Forced labor, Discrimination, and Harassment

### Stakeholder Engagement

Effective stakeholder engagement underpins DMW’s sustainability approach. The company engages a broad range of internal and external stakeholders, including brokers, customers, employees, shareholders and investors, government and regulatory bodies, business partners and suppliers, and local communities.

DMW maintains structured and transparent channels of communication with these groups to promote mutual understanding and alignment with the company’s sustainability priorities. Engagement activities include regular dialogues, surveys, consultations, and collaborative initiatives, which provide insights that inform decision-making and support the management of material environmental, social, and governance matters.

Through this approach, DMW is better positioned to identify emerging issues, respond to stakeholder concerns in a timely manner, and strengthen the consistency and effectiveness of its sustainability practices.

**Table 2. Summary of Key Stakeholder Engagement Activities**

ENGAGEMENT CHANNELS AND FREQUENCY	MATERIAL TOPICS	COMPANY’S RESPONSE
<b>BROKERS</b>		
<ul style="list-style-type: none"> <li>Broker’s Day</li> </ul>	<ul style="list-style-type: none"> <li>Customer Experience</li> <li>Timely Market Information</li> </ul>	<ul style="list-style-type: none"> <li>Quality product offers</li> <li>Regular market updates</li> <li>Transparent communication channels</li> </ul>
<b>CUSTOMERS</b>		

- Press releases (regular)
- Corporate sponsorships
- Media placements
- Distribution of collaterals
- Open houses (monthly)
- Corporate sponsorships (occasional)
- Company hotlines
- Safe, secure, and clean environment
- Quick turnaround time
- Complaints resolution
- Customer experience
- Connectivity
- Disaster risk reduction efforts
- Access to world-class facilities
- Innovation
- Data Privacy and Security
- Accessibility for Persons with Disabilities
- 24/7 building management
- Master-planned city development (value-adding tenants to estate, construction of walkways, pedestrian and bike lanes)
- Resolution of customer complaints
- CCTVs covering the entire estate
- Incorporation of disaster risk resilient features in the planning and build out of the whole Aseana City
- Regular on-site inspection of flood hazard and storm surge levels, followed by the on-going formulation of necessary technical adjustments to sea wall and drainage system treatment across the estate
- Safety-seal certified mixed-use and office buildings in Aseana
- Data Privacy Policy and Cybersecurity Measures
- Accessibility Provisions for Persons with Disabilities in Building Designs
- Development of Parqal in accordance with Building for Ecologically Responsive Design Excellence (BERDE) Program of the Philippine Green Building Council
- Launched electric vehicle (EV) charging stations at Parqal, providing convenient charging options for EV users.

EMPLOYEES		
<ul style="list-style-type: none"> <li>● Employee consultations (quarterly)</li> <li>● Extracurricular events/ activities (occasional)</li> <li>● Training sessions (as planned)</li> <li>● New employee orientation</li> </ul>	<ul style="list-style-type: none"> <li>● Health and safety</li> <li>● Work-life balance</li> <li>● Training and development</li> <li>● Human rights</li> <li>● Employee retention</li> <li>● Diversity, Equity, and Inclusion</li> <li>● Career Growth and Succession Planning</li> <li>● Employee Engagement and Satisfaction</li> <li>● Mental Health and Well-being</li> </ul>	<ul style="list-style-type: none"> <li>● Employee Code of Conduct</li> <li>● Human Rights Commitment, Anti-Corruption Policy, Whistleblowing Policy</li> <li>● Social events</li> <li>● Employee engagement activities</li> <li>● Skills and competency development through training and seminars</li> <li>● Orientation and property tour</li> <li>● Hybrid work arrangements</li> <li>● Flexible working hours</li> <li>● DMW Employee Career Pathing</li> <li>● Mental Health Support Programs and Wellness Initiatives</li> <li>● Leadership Development and Succession Planning Frameworks</li> <li>● Maintained the Great Place to Work® Certification, a globally recognized benchmark for workplace excellence</li> </ul>
SHAREHOLDERS/INVESTORS		
<ul style="list-style-type: none"> <li>● Stockholder meeting (annual)</li> <li>● Investor briefings (quarterly)</li> <li>● Non-deal roadshows (at least 2x/ year)</li> <li>● Investor conferences/ corporate access events (at least once a year)</li> <li>● One-on-one meetings, emails, and conference calls (regular)</li> <li>● Site tours (at least 4x/year)</li> <li>● Philippine Stock Exchange (regular)</li> <li>● Company website (regular)</li> </ul>	<ul style="list-style-type: none"> <li>● Financial and operating performance</li> <li>● Effective risk management</li> <li>● Good governance</li> <li>● ESG related performance</li> <li>● Operational eco-efficiency (energy efficiency, waste management, water conservation, GHG emissions)</li> <li>● Business Continuity and Resilience</li> </ul>	<ul style="list-style-type: none"> <li>● Submission of structured and unstructured continuing disclosures</li> <li>● Regular investor and analyst access to management through multiple communication channels and events</li> <li>● Annual participation in S&amp;P Corporate Sustainability Assessment</li> <li>● Transparent Reporting on ESG Performance Metrics</li> <li>● Business Continuity Plans and Risk Mitigation Strategies</li> </ul>

GOVERNMENT AND REGULATORY BODIES		
<ul style="list-style-type: none"> <li>● Review of compliance requirements (as needed)</li> <li>● Alignment meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental compliance</li> <li>● Compliance with other regulations</li> <li>● Economic value generated</li> <li>● Employment generated</li> <li>● Public Safety and Security</li> <li>● Infrastructure Development Support</li> <li>● Tax Compliance and Contributions</li> </ul>	<ul style="list-style-type: none"> <li>● Acquisition of proper permits</li> <li>● Environmental Policy</li> <li>● Waste Management Policy</li> <li>● Monitoring of activities</li> <li>● Payment of appropriate taxes</li> <li>● Collaboration with Government for Public Safety Initiatives</li> <li>● Contributions to Local Infrastructure Development</li> </ul>
BUSINESS PARTNERS AND SUPPLIERS		
<ul style="list-style-type: none"> <li>● Contractual agreements</li> <li>● Alignment meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance with contractual obligations</li> <li>● Work-site safety</li> <li>● Labor practices</li> <li>● Ethical Business Conduct (Corruption, Bribery, Data Privacy, Fair Dealing, Whistleblowing)</li> <li>● Fair Trade and Anti-Competitive Practices</li> </ul>	<ul style="list-style-type: none"> <li>● Procurement through proper channels</li> <li>● Supplier Code of Conduct</li> <li>● Human Rights Commitment, Anti-Corruption Policy, Whistleblowing Policy, Data Privacy Policy</li> <li>● Regular Supplier Assessments and Audits</li> <li>● Promotion of Fair Trade Practices and Ethical Supply Chain Management</li> </ul>
LOCAL COMMUNITIES		
<ul style="list-style-type: none"> <li>● Nutrition assistance</li> <li>● Scholarship (annual)</li> <li>● Medical and funeral assistance (as needed)</li> <li>● Livelihood programs (as planned)</li> </ul>	<ul style="list-style-type: none"> <li>● Programs intended for food, education, general welfare, and livelihood</li> <li>● Community Health and Safety</li> <li>● Environmental Protection and Conservation</li> </ul>	<ul style="list-style-type: none"> <li>● Enforcement of the mission of the foundation</li> <li>● Health and Safety Initiatives in Collaboration with Local Authorities</li> <li>● Environmental Conservation Efforts, Including Tree-Planting and Coastal Clean-Up Activities</li> <li>● Livelihood Training Programs</li> </ul>

## SUSTAINABILITY PILLARS


DMW strives to be the leading city developer in the country, dedicated to creating city-scale real estate products that contribute to sustainable local and national development. The Company’s Sustainability Framework serves as a guiding principle in achieving this mission.

Following the 2025 Materiality Assessment, DMW reaffirmed the continued relevance of its Material Sustainability Topics. This process confirmed the alignment of the Sustainability Framework with the company’s business priorities, stakeholder expectations, and applicable global sustainability standards.

The framework is anchored on five sustainability pillars, which collectively guide the management of DMW’s material environmental, social, and governance matters. These pillars reflect the company’s commitment to the United Nations Sustainable Development Goals and recognize the interrelated nature of sustainability, where progress across one area reinforces outcomes in others.

**Table 3. Sustainability Pillars**

Quality of Life	Environmental Stewardship	Good Governance and Ethical Business Practice	People-Centric Labor Practice	Economic Development
<p>Prioritizing the well-being of communities through master-planned estates that offer seamless access to essential facilities, clean and safe environments, pedestrian-friendly infrastructure, and continuous innovation to meet evolving needs.</p>	<p>Committing to environmental protection through sustainable resource management, energy efficiency, renewable energy integration, and climate resilience initiatives.</p>	<p>Upholding transparency, accountability, and integrity through robust corporate governance, anti-corruption measures, and ethical business conduct.</p>	<p>Fostering a diverse, inclusive, and engaged workforce by promoting employee well-being, professional growth, fair labor practices, and human rights adherence.</p>	<p>Driving sustainable economic growth through responsible investments, job creation, and partnerships that generate long-term value for both the company and society.</p>
<ul style="list-style-type: none"> <li>● Customer Health and Safety</li> <li>● Customer Satisfaction</li> <li>● Pedestrian Mobility and Transportation</li> <li>● Access to Needed Facilities &amp; Infrastructure</li> <li>● Disaster Risk Resilience</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental Compliance</li> <li>● Energy Efficiency</li> <li>● Water Conservation</li> <li>● GHG Emissions</li> <li>● Waste Management and Recycling</li> </ul>	<ul style="list-style-type: none"> <li>● Business Conduct and Ethics (Corruption, Bribery, Data Privacy, Fair-Dealing)</li> <li>● Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>● Human Rights (Child labor, forced labor, discrimination, harassment)</li> <li>● Employee well-being</li> <li>● Employee Retention</li> <li>● Human Capital Development</li> <li>● Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>● Economic value generated</li> <li>● Employment generated</li> <li>● Local purchases</li> </ul>

● Innovation				
				
<p>GRI 203: Indirect Economic Impacts</p> <p>GRI 416: Customer Health and Safety</p>	<p>GRI 302: Energy</p> <p>GRI 303: Water and Effluents</p> <p>GRI 305: Emissions</p> <p>GRI 306: Waste</p> <p>GRI 307: Environmental Compliance</p>	<p>GRI 205: Anti-Corruption</p>	<p>GRI 202: Market Presence</p> <p>GRI 401: Employment</p> <p>GRI 403: Occupational Health &amp; Safety</p> <p>GRI 404: Training and Education</p> <p>GRI 405: Diversity and Equal Opportunity</p> <p>GRI 406: Non-Discrimination</p> <p>GRI 408: Child Labor</p> <p>GRI 409: Forced Labor</p>	<p>GRI 201: Economic Performance</p> <p>GRI 401: Employment</p>

The Company’s contributions to UN SDGs and management approach to material sustainability topics are discussed in the following sections.

## SUSTAINABILITY PERFORMANCE

### Quality of Life

The Philippine Development Plan 2023-2028 emphasizes building livable communities through social cohesion, disaster resilience, green spaces, and accessible transportation.

DMW supports the Philippine Development Plan by placing quality of life at the center of its developments, creating environments that enhance the well-being of residents and locators. More than 30% of the company's Material Sustainability Topics fall under this pillar, reflecting its significance within DMW's sustainability framework

Aseana City is master-planned as an integrated district for living, working, and daily interaction. The Material Sustainability Topics and corresponding United Nations Sustainable Development Goals outlined in Table 4 guide DMW's approach to embedding livability and long-term sustainability across the estate.

**Table 4. Material Topics under Quality of Life**

Material topics	UN SDGs
<ul style="list-style-type: none"> <li>● Customer Health and Safety</li> <li>● Customer Satisfaction</li> <li>● Pedestrian Mobility and Transportation</li> <li>● Access to Needed Facilities &amp; Infrastructure</li> <li>● Disaster Risk Resilience</li> <li>● Innovation</li> </ul>	<ul style="list-style-type: none"> <li>● SDG 3: Good Health and Well-being</li> <li>● SDG 9: Industry, Innovation, and Infrastructure</li> <li>● SDG 11: Sustainable Cities and Communities</li> <li>● SDG 13: Climate Action</li> <li>● SDG 16: Peace, Justice, and Strong Institutions</li> </ul>

#### Customer Health and Safety

DMW places customer health and safety at the core of its estate management and operational practices, supported by structured controls and clearly defined protocols across its developments. The company applies disciplined health and safety measures aligned with regulatory requirements and established estate standards to ensure safe environments for tenants, employees, and visitors.

Across its properties, DMW implements comprehensive health and safety measures covering air and water quality management, cleaning and sanitation procedures, emergency preparedness and response protocols, and clear communication practices. These measures are embedded into daily estate operations and are regularly reviewed to ensure continued effectiveness and relevance.

Public safety is reinforced through active estate management and coordinated response mechanisms. In 2025, estate personnel in Aseana City managed over 1,000 incidents, including accidents, first-aid cases, and security-related events, using established response protocols and in close coordination with the Parañaque City Police Station. These efforts support timely incident response and contribute to maintaining order and safety across the estate.

At the district level, DMW is strengthening the integration of health, safety, and environmental considerations into long-term planning. Aseana City is scheduled for BERDE District Registration in the first quarter of 2026, with Stage 1 District Certification targeted by the fourth quarter of 2026. Stage 1 certification focuses on the planning phase and confirms that the district master plan is aligned with Philippine green standards, with documented policies and design strategies addressing resource efficiency, resilience, accessibility, and community well-being.

DMW’s project management and estate teams continue to assess and enhance health and safety controls to remain aligned with evolving regulatory requirements and operational risks. During the year, the company recorded zero incidents of non-compliance with government health and safety standards, underscoring its commitment to safeguarding stakeholders and maintaining high standards of estate safety.

**Table 5. Assessment of Product Health and Safety Impact**

	2023	2024	2025	% Latest YOY Change
Percentage of real estate products assessed for health and safety impacts	100%	100%	100%	No Change

**Table 6. Incidents of Non-Compliance with Health and Safety Regulations**

	2023	2024	2025	% Latest YOY Change
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0	No Change
Incidents of non-compliance with regulations resulting in a warning	0	0	0	No Change

Customer Satisfaction

Customer satisfaction is a key focus of DMW’s service and estate management approach. The company regularly engages residents and locators to gather feedback that informs operational improvements and supports consistent service delivery across its portfolio.

In 2024, DMW refined its customer satisfaction measurement by transitioning from the Net Promoter Score methodology to a more detailed 4-point Likert scale survey. While NPS provided a high-level

view of customer loyalty, the revised approach enables a more granular assessment of specific service areas, allowing management to identify actionable improvements more effectively. The scale, where 1 represents “Poor” and 4 represents “Excellent,” eliminates neutral responses and encourages clearer customer feedback. This methodology continued to be applied in 2025.

In 2025, survey coverage was expanded to include Parqal, in addition to Aseana One, Aseana Two, Aseana Three, 8912 Asean Avenue, Aseana Powerstation, and Aseana Square. The portfolio recorded an average satisfaction score of 3.2, remaining firmly within the “Good” range of the scale. Parqal, included for the first time, recorded a satisfaction score of 3.46. Among the established properties, Aseana One posted a score of 3.2, while 8912 Asean Avenue recorded 3.21. Aseana Two remained stable year on year at 3.19, and Aseana Square posted a score of 3.29.

The year-on-year moderation in overall scores was primarily driven by feedback on the speed of permit approvals. While DMW maintains stringent review and approval processes to ensure safety, compliance, and estate standards, management recognizes the need to balance regulatory discipline with customer responsiveness. In response, the company has initiated a comprehensive review and overhaul of its permitting process to improve turnaround times while maintaining robust controls.

Despite the decline compared to the prior year, customer satisfaction levels across the portfolio remain well above the minimum threshold for a “Good” rating. DMW continues to treat customer feedback as a critical input into operational decision-making and service enhancements, with a focus on improving responsiveness and overall customer experience across the estate.

**Table 7A. Summary of NPS 2021 to 2023**

Average Customer Experience Survey scores by property (NPS):	2021	2022	2023
Aseana One	26.2	39.0	48.0
Aseana Two	22.4	16.0	13.0
Aseana Three	9.9	47.0	67.0
Aseana Powerstation	Not available	59.0	59.0
Aseana Square	Not available	Not available	23.0
Average	19.5	40.25	42.00
Did a third party conduct the customer satisfaction study? (Y/N)	N	N	N

**Table 7B. Customer Satisfaction Survey 2024 and 2025**

	2024 (4-Point Likert Scale, 4 = Highest)	2025 (4-Point Likert Scale, 4 = Highest)
Aseana One	3.55	3.20
Aseana Two	3.19	3.19
Aseana Three	3.48	3.00
8912 Asean Ave	3.52	3.21
Aseana Powerstation	3.43	3.03
Aseana Square	3.33	3.29
Parqal	N/A	3.46
Average	3.42	3.20
Did a third party conduct the customer satisfaction study? (Y/N)	N	N

DMW maintains structured processes for monitoring and addressing customer feedback, enabling timely resolution of issues and continuous service improvements. The company continues to enforce strict adherence to its Data Privacy and Health and Safety policies, supporting transparency, regulatory compliance, and stakeholder trust. As a result, the company recorded zero substantiated complaints in 2025 related to product health and safety, marketing and labeling, and customer privacy.

**Table 8. Substantiated Complaints**

	2023	2024	2025	% Latest YOY Change
No of substantiated complaints on product or service health and safety	0	0	0	No Change
No. of complaints addressed	0	0	0	No Change
No. of substantiated complaints on marketing and labeling	0	0	0	No Change

No. of complaints addressed	0	0	0	No Change
No. of substantiated complaints on customer privacy	0	0	0	No Change
No. of complaints addressed	0	0	0	No Change

### Pedestrian Mobility and Transportation

Recognizing the importance of mobility and active transport in shaping livable urban environments, DMW prioritizes the integration of pedestrian lanes, bike paths, and skywalks across Aseana City. These features support walkability, inclusivity, and accessibility for pedestrians, cyclists, and users of alternative modes of transport.

As of end-2025, Aseana City has developed 21,777 meters of pedestrian lanes, representing 77% of the total planned network of 28,404 meters upon full completion. This is complemented by 772 meters of skywalks and 5,403 meters of bike paths. Upon full build-out, the estate's skywalk network is projected to reach 4,412 meters, while bike paths are expected to expand to 16,315 meters, further strengthening Aseana City's active mobility infrastructure.

These pedestrian lanes, skywalks, and bike paths are designed to connect a diverse mix of developments across the estate, including office buildings, retail spaces, residential condominiums, shopping warehouses, hospitals, and other mixed-use facilities, supporting seamless movement and day-to-day accessibility within Aseana City.

**Table 9. Pedestrian Lanes, Skywalks, Bike Lanes**

	2023 (in meters)	2024 (in meters)	2025 (in meters)	Estimate upon full build-out of Aseana City (meters)
Total length of pedestrian lanes	16,840 (59% of total)	20,330 (72% of total)	21,777 (77% of total)	28,404
Total length of skywalk connection	772 (17% of total)	772 (17% of total)	772 (17% of total)	4,413
Total length of bike path/lane	2,509 (15% of total)	5,403 (33% of total)	5,403 (33% of total)	16,315

To complement these infrastructure developments, DMW operates its own Eco Jeep fleet, providing efficient public transportation within the estate and linking to key commuter hubs.

### Access to Needed Facilities & Infrastructure

Aseana City is master-planned as a fully integrated mixed-use district that brings together essential facilities to support daily urban life. Positioned as a next-generation central business district in Metro Manila, the estate offers a comprehensive mix of recreational spaces, commercial developments, premium office buildings, residential condominiums, grocery warehouses, and a large-scale hospital. This integration ensures convenience and accessibility for residents, workers, visitors, and business locators.

The estate's development model supports a cohesive urban environment where people can live, work, and access essential services within a single, well-connected community. This approach reduces travel time, encourages active mobility, and improves the overall livability.

Parqal, DMW's flagship mixed-use development, plays a central role in enhancing Aseana City's walkability, livability, and sustainability. Its name, drawn from the words "park" and "kalye," reflects its integration of public space and commercial activity. Approximately 60% of Parqal's total area is dedicated to landscaped open spaces and recreational amenities, anchored by a climate-protected linear park that introduces greenery and outdoor activity into the urban district.

Located between Diokno Avenue and Macapagal Boulevard, Parqal comprises nine independent four-storey buildings. Its design takes inspiration from the Bahay-na-Bato, reinterpreted through a contemporary architectural lens. Retail and dining establishments occupy the lower levels, while the upper floors house office spaces designed to support modern work environments. The development is supported by over 1,200 parking slots, electric vehicle charging stations, secure bicycle racks, and shower facilities, catering to motorists, commuters, and environmentally conscious users.

In 2025, DMW further expanded access to flexible work infrastructure through the introduction of AXS, a co-working hub located within Aseana City. AXS supports the evolving needs of startups, freelancers, and hybrid work teams by providing adaptable workspace solutions within the estate. Its presence complements Aseana City's office ecosystem and reinforces the district's role as an accessible and inclusive employment hub.

Access to education further reinforces Aseana City's role as a complete urban district. The development of the De La Salle-College of Saint Benilde campus within the estate strengthens the local talent ecosystem and supports the integration of education, employment, and innovation. Its presence contributes to the district's long-term economic, social, and cultural vitality, while reinforcing the vision of a community where learning and work coexist within a walkable environment.

Retail access was further enhanced with the opening of Landers Superstore Aseana City. The addition of a large-scale grocery warehouse supports daily needs of residents and workers, complements the estate's retail mix, and contributes to local employment and economic activity within the district.

Beyond commercial and institutional facilities, Aseana City supports broader community well-being. The Church of St. John Paul II serves as a dedicated spiritual center within the estate, hosting regular masses for residents, workers, and visitors.

Healthcare access is integrated into the district through long-term land lease arrangements. DMW's 50-year contract with St. Luke's Medical Center ensures the availability of world-class healthcare services within proximity to the community.

Recognizing affordability constraints associated with in-city living, DMW has prioritized Modaiio Flats in its five-year development pipeline for 2025 to 2029. This 200-room co-living development is designed to offer practical housing options through four-bed and two-bed unit configurations, addressing the needs of entry-level workers seeking proximity to employment centers without the cost burden of traditional condominium ownership or leasing.

Through disciplined master planning and strategic partnerships, DMW continues to strengthen Aseana City's infrastructure and service offerings. These efforts support the estate's development as a well-connected, inclusive, and future-ready urban district.

### Disaster Risk Resilience

Located in a country highly exposed to natural hazards, DMW recognizes disaster risk resilience as a core consideration in the planning, development, and management of Aseana City. Natural disasters remain among the principal risks identified in the company's Risk Manual, reinforcing the need to embed resilience measures across both physical infrastructure and estate operations.

Aseana City was designed with resilience as a foundational principle. The estate is built several meters above older city grades and incorporates engineered drainage systems, lift stations, and seawalls that enable the rapid discharge of stormwater. These features have allowed Aseana City to remain accessible and flood-free during major typhoons that affected large parts of Metro Manila. Regular inspections are conducted to monitor flood and storm surge risks, with ongoing technical enhancements to drainage systems and coastal defenses to address evolving climate conditions.

Urban design further supports resilience and continuity. Covered walkways, arcaded sidewalks, skywalks, and the canopy structures within Parqal allow safe pedestrian movement during heavy rainfall. Critical utility infrastructure is placed underground to reduce exposure to wind-related damage, while a dedicated Meralco smart substation within the estate enhances grid reliability and minimizes the risk of power disruptions during severe weather events.

Beyond physical infrastructure, disaster preparedness is reinforced through active estate management and coordinated emergency response. Aseana City maintains an integrated operations center that oversees preparedness protocols, hazard monitoring, and incident response. Drainage systems are maintained year-round to prevent blockages, and additional field teams are mobilized during typhoon season. The estate also partners with Lifeline 16-911 to provide round-the-clock emergency medical and security response services within the district.

### Innovation

DMW pursues innovation as a practical tool to strengthen resilience, improve user experience, and support long-term value creation across its developments.

Innovation at DMW addresses both risk and opportunity. On the risk side, the company applies design, infrastructure, and operational solutions to manage climate and disaster-related exposures, as discussed in the Disaster Risk Resilience and Climate Risks and Opportunities sections. On the opportunity side, innovation shapes how Aseana City responds to evolving work, mobility, and living patterns.

In 2025, this approach was reflected in the continued evolution of Aseana City as a multi-functional urban district. The introduction of AXS expanded access to flexible workspaces suited to startups, freelancers, and hybrid teams. The upcoming Modaiio Flats co-living development addresses affordability and proximity challenges for entry-level workers, while the development of the De La Salle-College of Saint Benilde campus strengthens the integration of education, employment, and urban life within the estate.

Innovation is also applied to mobility and sustainability. Electric vehicle charging stations at Parqal support the shift toward cleaner transport options, while pedestrian-oriented design and shared mobility infrastructure encourage active and low-carbon movement within the district.

In parallel, DMW continues to leverage digital tools to enhance customer engagement and operational efficiency. These include online leasing and payment platforms, contactless services, and interactive digital applications such as the Aseana City Showcase App, which provides virtual access to the estate's master plan and key developments.

### **Environmental Stewardship**

DMW recognizes that responsible environmental management is fundamental to long-term asset resilience and operational stability, particularly in a country highly exposed to climate-related risks. Environmental stewardship is integrated into estate planning, building design, energy procurement, and day-to-day operations across Aseana City.

The company's Environmental Policy establishes clear objectives focused on decarbonization, resource efficiency, regulatory compliance, and continuous performance improvement. In 2025, DMW achieved a significant milestone in this commitment with the completion of its portfolio-wide transition to renewable electricity. Beginning in the first quarter of the year, a retail electricity supply agreement for 100% renewable energy covered more than 90% of the portfolio, including major developments such as Parqal. Smaller properties that did not meet contestability thresholds were subsequently aggregated under the Retail Aggregation Program in the fourth quarter of 2025. As a result, by year-end, 100% of DMW's properties were powered by 100% renewable energy.

This transition materially reduced Scope 2 emissions by more than 90% year on year and represents a structural shift in the company's energy profile. Complementing this transition, DMW continues to

evaluate solar panel installations in select Aseana City buildings to further enhance energy resilience and long-term sustainability.

Beyond energy, environmental performance improvements were observed across key resource indicators. Total water consumption increased by only 2.07% despite significantly higher estate utilization, reflecting controlled water intensity. Solid waste generation declined by 16.27%, while hazardous waste decreased by 64.16%, demonstrating improved segregation and handling practices even amid higher occupancy and foot traffic.

Waste management remains governed by strict vendor accreditation and regulatory compliance requirements, ensuring proper treatment and disposal. DMW maintains a Department of Environment and Natural Resources – Environmental Management Bureau accredited Pollution Control Officer to oversee compliance with environmental regulations and reporting obligations.

At the estate level, environmental stewardship extends to sustainable mobility initiatives, including pedestrian infrastructure, bike lanes, and electric vehicle charging facilities in Parqal. These initiatives support reduced reliance on private vehicles and reinforce Aseana City’s integrated urban planning approach.

DMW also continues to support environmental initiatives in partnership with national agencies, including coastal cleanups and tree planting programs, aligning estate-level sustainability efforts with broader national development objectives.

Environmental stewardship in 2025 reflects a transition from incremental improvements to measurable structural change, particularly through the full renewable energy shift and sustained resource management discipline across the portfolio.

**Table 10. Material Topics under Environmental Stewardship**

Material topics	UN SDGs
<ul style="list-style-type: none"> <li>● Environmental Compliance</li> <li>● Energy Efficiency</li> <li>● Water Conservation</li> <li>● GHG Emissions</li> <li>● Waste Management and Recycling</li> </ul>	<ul style="list-style-type: none"> <li>● SDG 6: Clean Water and Sanitation</li> <li>● SDG 7: Affordable and Clean Energy</li> <li>● SDG 12: Responsible Consumption and Production</li> <li>● SDG 13: Climate Action</li> <li>● SDG 14: Life Below Water</li> </ul>

Environmental Compliance

DMW maintains strict compliance with environmental regulations issued by the Department of Environment and Natural Resources and other relevant authorities. The company applies continuous monitoring, timely reporting, and corrective action protocols to ensure adherence to applicable environmental standards. Regular engagement with regulators and stakeholders supports DMW’s disciplined and transparent approach to environmental compliance.

In 2025, DMW recorded zero environmental compliance sanctions, both monetary and non-monetary. No new cases of environmental non-compliance were reported during the year, reflecting the effectiveness of the company's strengthened compliance controls and monitoring processes.

Certain compliance matters reported in prior years remain under review by the DENR. A case identified in 2023, as well as two incidents reported in 2024, are pending final determination. These cases involved administrative and operational issues, including permit renewal timing and an equipment-related variance in effluent parameters. In all instances, DMW submitted the required position papers to the DENR and implemented corrective actions, including sewage treatment plant rehabilitation, enhanced equipment maintenance protocols, and tighter permit monitoring procedures.

**Table 11. Environmental Compliance**

	2023	2024	2025	% Latest YOY Change
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	TBD*	TBD*	0	N/A
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	1*	2*	0	N/A
No. of cases resolved through dispute resolution mechanism	TBD*	TBD*	0	N/A

\*Under DENR review

### Energy Efficiency

Efficient energy management remains a core component of DMW's sustainability approach, supporting operational performance while reducing environmental impact. The company continues to pursue energy efficiency measures across its developments, alongside a deliberate transition toward renewable energy sources.

In 2025, total energy consumption increased modestly year on year, reflecting higher operational activity across the estate. The increase was driven primarily by significantly higher foot traffic at Parqal, a higher frequency of Parqal and estate-wide events, and improved occupancy levels across the portfolio. These activity-driven factors contributed to higher energy demand for DMW-occupied spaces and common use service areas.

A key development during the year was the completion of DMW’s transition to renewable electricity across its portfolio. Beginning in the first quarter of 2025, the company commenced a retail electricity supply agreement for 100% renewable energy covering more than 90% of its properties. Smaller properties that did not meet contestability thresholds were subsequently aggregated under the Retail Aggregation Program in the fourth quarter of 2025. As a result, by year-end, 100% of DMW’s properties were powered by 100% renewable energy. This shift led to a significant increase in renewable energy consumption and a corresponding decline of more than 90% in non-renewable energy usage, materially reducing the carbon intensity of the company’s operations.

DMW continues to pursue complementary renewable energy solutions, including the installation of solar panels in selected Aseana City buildings, to strengthen energy resilience and sustainability. At the asset level, flagship developments such as Parqal are designed to align with the Philippine Green Building Council’s BERDE rating system, supporting reduced peak energy demand through efficient building systems and design strategies. At the district level, Aseana City is being positioned for BERDE District certification, embedding energy efficiency and renewable energy planning into the estate’s long-term master plan.

**Table 12. Energy Consumption**

	2023 (kWh)	2024 (kWh)	2025 (kWh)	% Latest YOY Change
Total Energy Consumption (Including consumption of tenants) *	18,063,342.66	28,430,709.71	29,595,078.13	4.10%
Total Renewable Energy**	5,620,435.63	11,575,825.25	28,148,105.13	143.16%
Total Non-Renewable Energy	12,442,907.03	16,854,884.46	1,446,973.00	-91.42%
Total Energy Consumption per sqm	78.97	124.30	129.39	4.09%

Energy Consumption for DMW-occupied spaces and CUSA***	4,426,587.16	7,001,439.65	8,166,946.40	16.65%
Renewable Energy Consumption for DMW-occupied spaces and CUSA	1,377,339.10	2,850,700.62	7,767,645.17	172.48%
Non-Renewable Energy Consumption for DMW-occupied spaces and CUSA	3,049,248.06	4,150,739.03	399,301.22	-90.38%
Energy Consumption per sqm for DMW-occupied spaces and CUSA	34.84	55.11	64.28	16.65%

*\*Except for Pixel Residences, energy consumption reported covers the consumption of the whole building. Pixel Residences has already been fully turned over to buyers*

*\*\*Procured renewable energy via retail electricity supply contracts*

*\*\*\*Energy Consumption for DMW-occupied spaces and CUSA only.*

In 2025, DMW recorded a 14.43% year-on-year reduction in diesel consumption, achieved despite the start of construction activities at Aseana Plaza. This outcome reflects more judicious fuel use, tighter operational controls, and improved planning across construction and estate operations.

Gasoline consumption increased modestly by 3.53% during the year, broadly in line with higher estate activity levels, increased foot traffic, and day-to-day operational requirements. Despite this increase, overall fuel usage remained controlled, supported by operational efficiencies and estate-level mobility initiatives.

To further manage fuel demand, DMW continues to promote active mobility within Aseana City. Employees are encouraged to utilize the estate’s pedestrian-oriented infrastructure, including interconnected walkways and skywalks, for intra-estate movement. This approach reduces reliance on fuel-powered transport while supporting a healthier and more sustainable working environment.

**Table 13. Gasoline and Diesel Consumption**

Fuel Type	Total Fuel Consumption 2023 (L)	Total Fuel Consumption 2024 (L)	Total Fuel Consumption 2025 (L)	% Latest YOY Change
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Gasoline	12,218.48	12,644.11	13,090.00	3.53%
Diesel*	529,928.80	351,358.03	300,674.00	-14.43%

\*Diesel use considers generator sets, transportation, construction equipment, and other diesel-intensive activities

### Water Conservation

In 2025, total water consumption increased by only 2.07% year on year, reaching 247,137 cubic meters. Water intensity stood at 1.08 m<sup>3</sup> per square meter, remaining significantly below the 1.86 m<sup>3</sup> baseline indicated in the DPWH Philippine Green Building Code reference for office buildings. The modest increase in total consumption is notable given the materially higher foot traffic at Parqal, improved occupancy rates across the portfolio, and the availability of shower facilities within the development.

Constructed in compliance with the standards of the Philippine Green Building Council's BERDE framework, Parqal was designed to meet stringent water efficiency benchmarks, including substantial reductions in water consumption per square meter per person based on an 8-hour operational shift. These design considerations have contributed to maintaining controlled water intensity levels despite increased estate activity.

Ongoing initiatives include the installation of water-efficient fixtures, continuous monitoring of usage patterns, preventive maintenance to address leakages, and occupant awareness efforts to promote responsible water use.

**Table 14. Water Consumption\***

	Total 2023 Consumption (m <sup>3</sup> )	Total 2024 Consumption (m <sup>3</sup> )	Total 2025 Consumption (m <sup>3</sup> )	% Latest YOY Change
Total Water Consumption (Including consumption of tenants) **	155,403.00	242,122.00	247,137.00	2.07%
Total Water Consumption per sqm	0.68	1.06	1.08	2.07%

\*For the purpose of this report, it is assumed that Water Withdrawal is 100% equal to both Water Consumption and Water Discharge.

\*\*Total Water Consumption covers data for entire building assets, including tenants' consumption.

Air Emissions (GHG Emissions)

DMW continues to manage and reduce its greenhouse gas emissions as part of its broader environmental stewardship efforts, recognizing the carbon intensity of real estate operations. Emissions management is closely linked to the company's energy strategy, particularly the transition away from non-renewable electricity and the continued focus on operational efficiency, as discussed in the Energy Efficiency section.

GHG emissions are calculated in accordance with the market-based method, with Scope 2 emissions reflecting the emission factors of contracted electricity sources. Scope 1 (direct) and Scope 2 (indirect) emissions for the reporting period are summarized in Tables 15 and 16.

**Direct Emissions (Scope 1):** In 2025, Scope 1 emissions declined to 839.83 metric tons of CO<sub>2</sub>, representing a 13.87% year-on-year reduction. The continued decrease reflects tighter fuel management, more disciplined operational planning, and the sustained promotion of active mobility within the estate, including walking routes supported by pedestrian lanes and skywalks.

**Indirect Emissions (Scope 2):** A significant reduction in Scope 2 emissions was recorded in 2025, driven by the completion of DMW's transition to renewable electricity. Total Scope 2 emissions declined by over 91% year on year, across both whole-building consumption and DMW-occupied spaces and common use service areas. Emissions intensity per square meter declined proportionately.

This sharp reduction reflects the implementation of 100% renewable energy supply agreements beginning in the first quarter of 2025, which initially covered more than 90% of the portfolio. Smaller properties that did not meet contestability thresholds were subsequently enrolled under the Retail Aggregation Program in the fourth quarter of 2025. As a result, by year-end, 100% of DMW's properties were powered by 100% renewable energy.

The portfolio-wide transition to renewable electricity represents a significant milestone in DMW's decarbonization efforts, materially reducing the carbon intensity of its operations and establishing a strong foundation for longer-term emissions management at both the asset and district levels.

Complementary initiatives to further manage emissions include the planned installation of solar panels in selected Aseana City buildings, reinforcing energy resilience and supporting continued reductions in operational emissions.

**Table 15. GHG Emissions Scope 1**

	GHG Emissions Scope 1 2023 (MT CO <sub>2</sub> )	GHG Emissions Scope 1 2024 (MT CO <sub>2</sub> )	GHG Emissions Scope 1 2025 (MT CO <sub>2</sub> )	% Latest YOY Change
Total GHG Emissions Scope 1	1,453.7	975.1	839.83	-13.87%

**Table 16. GHG Emissions Scope 2**

	2023 (tonnes CO <sub>2</sub> )	2024 (tonnes CO <sub>2</sub> )	2025 (tonnes CO <sub>2</sub> )	% Latest YOY Change
Total GHG Emissions (Whole Building, including tenant consumption)	5,383	7,292	626	-91.40%
Total GHG Emissions (Whole Building, including tenant consumption) per sqm	0.024	0.032	0.003	-91.40%
GHG Emissions Scope 2 DMW-occupied spaces and CUSA	1,319	1,796	172.75	-91.40%
GHG Emissions Scope 2 DMW-occupied spaces and CUSA per sqm	0.0104	0.0141	0.00136	-91.40%

For the reporting year, DMW did not conduct air pollutant emission testing for its standby generator sets in accordance with DENR-EMB Memorandum Circular 2022-03. Notwithstanding this, the company continued to implement established measures to minimize air pollutant emissions, including preventive maintenance, operational controls, and monitoring protocols designed to manage generator-related impacts.

**Table 17. Air Pollutants**

Air Emissions - Air Pollutants	2023	2024	2025	% Latest YOY Change
Nitrogen oxides (NOx)	Not available	Not available	Not available	N/A

Carbon monoxide (CO)	Not available	Not available	Not available	N/A
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*The Company did not conduct air pollutant emission test for standby gensets in adherence to DENR-EMB memorandum circular 2022-03*

### Waste Management and Recycling

DMW recognizes that real estate operations and development activities generate significant volumes of waste and remains committed to minimizing environmental impact through structured waste management practices. The company's Waste Management Policy emphasizes waste reduction, proper segregation, responsible handling, and environmentally compliant disposal.

In the development of Parqal and other select projects within Aseana City, materials and design elements were selected in accordance with the Philippine Green Building Council's BERDE framework. This approach considers lifecycle impacts, material durability, occupant health, and environmental performance, supporting long-term resource efficiency.

DMW enforces strict accreditation requirements for third-party waste service providers. Solid waste contractors are required to maintain valid permits issued by relevant authorities, while hazardous waste transporters and treatment providers must hold current registrations with the Environmental Management Bureau of the Department of Environment and Natural Resources. These controls ensure that all waste streams are managed in compliance with regulatory standards.

In 2025, total solid waste generated across DMW's properties declined by 16.27% year on year, to 1,719,376 kilograms, despite higher foot traffic and increased occupancy across the estate. Waste intensity per square meter declined proportionately to 7.52 kilograms per square meter, reflecting improved waste management controls and segregation practices.

Hazardous waste generation decreased more significantly, falling by 64.16% year on year to 10,500 kilograms, with a corresponding decline in intensity to 0.05 kilograms per square meter. The reduction reflects tighter monitoring of hazardous materials and improved handling protocols.

**Table 18. Waste Generated\***

	Total 2023	Total 2024	Total 2025	% Latest YOY Change in Waste Generation
Total solid waste generated	1,252,048 kg	2,053,520 kg	1,719,376 kg	-16.27%
Solid waste per sqm	5.47 kg	8.98 kg	7.52 kg	-16.27%
Total weight of hazardous waste generated and transported**	36,810 kg	29,300 kg	10,500 kg	-64.16%

Hazardous weight per sqm	0.16 kg	0.13	0.05	-64.16%
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\*Weight per type of waste (e.g., reusable, recyclable, composted, incinerated, residuals/landfilled) is not yet available

\*\*Hazardous waste pertains to used oil, lead batteries, paint sludge, busted lights, and other construction, industrial and chemical waste.

**Table 19. Materials Used by the Company**

Material	2023	2024	2025	% Latest YOY Change
Acetylene	71 tanks	174 tanks	78 tanks	-55.17%
Cement	101,640 kg	109,320 kg	72,000 kg	-34.14%
Common wire nail	233 kg	1,683 kg	548 kg	-67.44%
Concrete pile epoxy	94 sets	1 set	145 set	145x
Cutting disc	253 pcs	517 pcs	36 pcs	-93.04%
Deformed rebars	89,181 kg	797,541 kg	103,627 kg	-87.01%
G.I. tie wire	1,952 kg	1,681 kg	5,179 kg	208.16%
Gravel	478 m3	461 m3	110 m3	-75.96%
Grinding disc	125 pcs	182 pcs	35 pcs	-80.77%
HDPE coupling	2 pcs	44 pcs	11 pcs	-75.00%
HDPE pipe	33 rolls	143 rolls	46 rolls	-67.83%
HDPE stub-out	0	0	0	N/A
HDPE tee reducer	2 pcs	20 pcs	0	N/A
Marine plywood	8 pcs	40 pcs	80 pcs	100.00%
Oxygen	123 tanks	347 tanks	85 tanks	-75.50%
Paving block	230,694 pcs	84,013 pcs	206,475 pcs	145.77%
Phenolic board	1,923 pcs	1,827 pcs	1,083 pcs	-40.72%
Primer	76 pails	38 pails	11 pails	-71.05%
Ready-mix concrete	2,890,090 kg	5,373,000 kg	3,074,250 kg	-42.78%
Vibro sand	388 m3	439 m3	379 m3	-13.60%

DMW continued its commitment to environmental compliance by conducting regular effluent parameter testing in accordance with Department of Environment and Natural Resources (DENR)

Administrative Order 2016-08, which prescribes Water Quality Guidelines and General Effluent Standards.

To strengthen monitoring accuracy, flowmeters were progressively installed across DMW properties throughout 2025, including Parqal, Aseana One, Aseana Two, Aseana Powerstation, and Aseana Square. These upgrades form part of the broader rehabilitation and enhancement of Sewage Treatment Plants (STPs) across the portfolio.

Given that flowmeters became operational at different points during the year, water discharge volumes for 2025 continue to be assumed to be equivalent to total water withdrawn for reporting purposes. Beginning the 2026 reporting period, DMW will report actual metered discharge volumes, reflecting improved measurement accuracy and strengthened environmental data governance.

Climate Disclosures

In assessing its Climate-related risks and opportunities, DMW analyzed scenarios outlined by the Intergovernmental Panel on Climate Change (IPCC), focusing on RCP8.5, RCP4.5, and RCP2.6. The RCP8.5 scenario, where no change in emissions is expected, could result in a drastic temperature increase of over 4.0°C by 2100. In contrast, the RCP2.6 scenario, aligning with The Paris Agreement goals and anticipating net-negative global emissions, may limit the increase in average global temperature to below 2.0°C by 2100. Between these extremes, DMW considered RCP4.5, representing moderate mitigation efforts, which might lead to a temperature increase of 3.0°C by 2100.

DMW remains committed to emission reduction efforts, extensively detailed in the Environmental Stewardship section of this report.

Transitioning to a lower-carbon economy may entail risks relating to policy, legal, technology, and market changes to address adaptation requirements related to climate change. An insufficient collective response to climate change will result in a less-than-ideal increase in average global temperature which will then lead to acute and chronic physical risks.

Efforts to mitigate and adapt to climate change also produce opportunities, particularly for organizations at the forefront of developments.

Enumerated below are the Company’s identified climate-related risks and mitigants as well as climate-related opportunities:

**Table 20. Climate-Related Risks**

Risk Category	Risk Type	Examples	Mitigants
Physical Risks	Acute Risks	Increased frequency and intensity of typhoons, extreme	Among the strategies in place to mitigate the potential impact of physical risks to climate change include:

		rainfall, and storm surges that may affect coastal developments	<ul style="list-style-type: none"> <li>● Elevated site development, engineered drainage systems, and continuous inspection and reinforcement of sea walls. Structured emergency preparedness plans, regular safety drills, and on-site response teams strengthen operational continuity during extreme weather events.</li> <li>● Master-planned flood mitigation infrastructure, STP upgrades, installation of discharge flowmeters.</li> <li>● Continuous technical review of drainage and water management systems support long-term resilience.</li> <li>● Regular on-site inspection of flood hazard and storm surge levels, followed by the on-going formulation of necessary technical adjustments to sea wall and drainage system treatment across the estate</li> <li>● Shading strategies and BERDE-aligned design standards mitigate heat stress impacts.</li> </ul>
	Chronic Risks	Sustained higher temperatures causing sea level rise or chronic heat waves	
Transition Risks	Policy and Legal Risks	Regulatory changes including carbon taxation, climate-related litigation risk	<p>DMW employs tangible methods to limit emissions including through:</p> <ul style="list-style-type: none"> <li>● Completion of portfolio-wide shift to 100% renewable electricity in 2025 significantly reduces exposure to fossil-fuel-based regulatory risks and positions DMW ahead of potential carbon constraints; renewable energy accounted for 95% of DMW’s energy consumption in 2025.</li> <li>● Renewable-powered portfolio, BERDE-aligned developments such as Parqal, and planned BERDE District Registration for Aseana City strengthen market positioning and sustainability credentials.</li> <li>● Ongoing system upgrades, solar panel exploration, energy monitoring, and integration of sustainability criteria into asset planning reduce retrofit risks and future obsolescence.</li> <li>● Retrofitting of building equipment (E.g., LED lights)</li> </ul>
	Technology Risks	Technological innovations that support the transition to a lower-carbon economy can hasten obsolescence of higher emission technologies	
	Market Risk	Shift in consumer preference, a more environmental footprint-conscious consumer, aversion to high-emission assets	
	Reputational Risk	Companies without tangible action to reduce emissions may	

		suffer reputational repercussion	<ul style="list-style-type: none"> <li>● Aseana City is built on tenets of pedestrian mobility and walkability; across the estate, pedestrian lanes, elevated walkways, and bike lanes are abundant, which allow residents to forego use of automotive vehicles within the estate.</li> </ul>
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**Table 21. Climate-Related Opportunities**

Category	Opportunity	DMW's Actions to Capture Opportunities
Resource Efficiency	Direct cost savings through resource efficiency	<ul style="list-style-type: none"> <li>● 100% renewable electricity supply agreements and RAP participation materially lowered Scope 2 emissions and reduced exposure to fossil-fuel price volatility.</li> <li>● Retail electricity supply agreements initiated in 1Q2025 and RAP enrollment in 4Q2025 resulted in full renewable coverage by year-end.</li> <li>● Development of its largest commercial asset – Parqal -- in accordance with operational eco-efficiency requirements under the Building for Ecologically Responsive Design Excellence (BERDE) Program of the Philippine Green Building Council. Among the requirements of BERDE are A) reduction of peak energy consumption in kWh/person/m2 of at least 35% and B) at-least-50% reduction of water consumption m3/m2/person based on an 8-hour shift.</li> <li>● New buildings have energy efficient features including LED lights, variable refrigerant flow air-conditioning, and double-glazed curtain walls, among others.</li> <li>● Retrofitting of building equipment</li> </ul>
Energy Source	The trend toward clean energy, rapidly declining costs, and adoption of these technologies is significant. Organizations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs moving forward.	<ul style="list-style-type: none"> <li>● 100% renewable electricity supply agreements and RAP participation materially lowered Scope 2 emissions and reduced exposure to fossil-fuel price volatility.</li> <li>● Retail electricity supply agreements initiated in 1Q2025 and RAP enrollment in 4Q2025 resulted in full renewable coverage by year-end.</li> </ul>

		<ul style="list-style-type: none"> <li>● Actively engaged in discussions with various vendors for the installation of solar panels in select Aseana City buildings.</li> </ul>
Products	Organizations that innovate and develop new low-emission products may improve their competitive position and capitalize on shifting client preferences.	<ul style="list-style-type: none"> <li>● Development of flagship project – the over 73,000sqm Parqal – in accordance with Sustainability requirements of Building for Ecologically Responsive Design Excellence (BERDE) Program of the Philippine Green Building Council</li> </ul>
Markets	Capital markets are starting to assign a premium on sustainable products	<ul style="list-style-type: none"> <li>● Integrated resilience infrastructure, pedestrian mobility systems, water efficiency controls, and planned BERDE District certification embed sustainability at the district level.</li> <li>● BERDE District Registration targeted Stage 1 certification in 4Q2026 integrate energy, water, land use, and mobility planning into the estate master plan.</li> <li>● Launched electric vehicle (EV) charging stations at Parqal, providing convenient charging options for EV users.</li> </ul>
Resilience	Climate change and disaster risk-resilient buildings may command a premium in the future.	<ul style="list-style-type: none"> <li>● Elevated site development, engineered drainage systems, and continuous inspection and reinforcement of sea walls. Structured emergency preparedness plans, regular safety drills, and on-site response teams strengthen operational continuity during extreme weather events.</li> <li>● Master-planned flood mitigation infrastructure, STP upgrades, installation of discharge flowmeters.</li> <li>● Continuous technical review of drainage and water management systems support long-term resilience.</li> <li>● Regular on-site inspection of flood hazard and storm surge levels, followed by the on-going formulation of necessary technical adjustments to sea wall and drainage system treatment across the estate</li> <li>● Shading strategies and BERDE-aligned design standards mitigate heat stress impacts.</li> </ul>

## Good Governance and Ethical Business Practice

DMW recognizes that strong governance frameworks, clear policies, and fair management practices are essential to long-term organizational performance. By maintaining well-defined policies and consistent oversight, the company fosters accountability and builds trust with stakeholders, in line with the material governance topics identified in Table 22.

The company maintains a publicly accessible Code of Business Conduct and Ethics that sets out the standards and principles expected of employees, contractors, and business partners. This framework is supported by related policies, including the Employee Code of Conduct, Supplier Code of Conduct, Human Rights Commitment, Anti-Corruption Policy, and Data Privacy Policy. DMW also maintains a Whistleblowing Policy that provides a formal channel for raising concerns, with safeguards in place to protect individuals from retaliation.

Risk oversight is reinforced through DMW's Risk Management Manual, which provides a structured approach to identifying, assessing, and managing risks across the organization. The manual is reviewed and updated regularly to reflect changes in the operating environment and emerging risk considerations.

**Table 22. Material Topics under Good Governance and Ethical Business Practice**

Material topics	UN SDGs
<ul style="list-style-type: none"> <li>• Business Conduct and Ethics (Corruption, Bribery, Data Privacy, Fair-Dealing)</li> <li>• Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>• SDG 16: Peace, Justice, and Strong Institutions</li> </ul>

### Business Conduct and Ethics (Corruption, Bribery, Data Privacy, Fair-Dealing)

Throughout its corporate history, DMW has maintained a strong emphasis on fair dealing and ethical conduct as fundamental principles of its business operations. These principles are set out in the company's Code of Business Conduct and Ethics, which defines the standards expected of employees, officers, and business partners. The code is supported by regular communication, training, and integration into relevant contractual arrangements.

DMW's Anti-Corruption Policy expressly prohibits bribery, extortion, facilitation payments, and the acceptance of improper benefits. The policy is communicated through employee orientation and periodic training, and its requirements are embedded in dealings with third parties. During the reporting period, the company recorded zero incidents of corruption.

To support transparency and accountability, DMW maintains a Whistleblowing Policy that provides formal channels for reporting suspected unethical or improper conduct. The policy includes safeguards to protect individuals who raise concerns from retaliation, reinforcing an environment where issues can be raised in good faith.

Data protection is governed by DMW's Data Privacy Policy, which is aligned with applicable data protection laws and regulatory requirements. The policy sets out controls for the collection, use, storage, and retention of personal data and is supported by technical and organizational measures designed to safeguard confidential information in the course of business operations.

### Risk Management

DMW applies a structured Enterprise Risk Management framework to identify, assess, prioritize, and manage risks that may affect its operations, financial performance, and Environmental, Social, and Governance matters. This framework supports informed decision-making and helps safeguard the company's strategic objectives and stakeholder interests.

The ERM framework is implemented through a continuous cycle of risk identification, assessment, prioritization, response, and monitoring. Risks that could affect the company's strategic and operational objectives, including ESG-related risks, are systematically identified and evaluated based on their potential impact and likelihood. A 25-box risk heat map is used to rank and prioritize key risk exposures, enabling management to focus on areas requiring the greatest attention. Mitigation measures are then developed and implemented, with risks monitored regularly to assess effectiveness and to allow for timely adjustments.

The Audit and Risk Committee (ARC) oversees the ERM process, conducting regular discussions on prioritized risk exposures and assessing management's strategies to address them. The ARC also evaluates the ERM plan's relevance and effectiveness, advises the Board on risk appetite levels, and reviews the company's risk tolerance limits annually.

Climate-related risks form an important part of DMW's risk assessment. The company evaluates exposures such as increased resource costs, regulatory developments, and potential damage to properties arising from extreme weather events. Climate-related risks and opportunities are discussed in further detail in the Climate Risks and Opportunities section of this report.

DMW's Risk Management Manual identifies key risks linked to its Material Sustainability Topics. These include risks associated with natural disasters and potential damage to assets, the risk of not meeting sustainability objectives and the resulting reputational impact, health and safety risks at construction sites, and compliance with environmental regulations. Together, these risk considerations guide management actions and reinforce the integration of sustainability into the company's overall risk management approach.

### **People-Centric Labor Practices**

DMW is committed to maintaining fair, safe, and inclusive working conditions for its employees, contractors, and business partners. This commitment is anchored in the company's Human Rights Commitment, which sets clear expectations on the prevention of child labor, forced labor, human trafficking, harassment, and discrimination across its operations and value chain.

The company upholds health and safety standards, fair labor practices, and respectful working environments, both internally and in its dealings with external partners. DMW supports employee development through opportunities for skills enhancement and professional growth, while maintaining workplaces that are conducive to productivity and well-being.

These labor practices reflect DMW’s broader approach to responsible employment and are aligned with relevant United Nations Sustainable Development Goals, as summarized in Table 23.

**Table 23. Material Topics under People-Centric Labor Practices**

Material topics	UN SDGs
<ul style="list-style-type: none"> <li>• Human Rights (Child labor, forced labor, discrimination, harassment)</li> <li>• Employee Retention</li> <li>• Employee Well-being</li> <li>• Health and Safety (Occupational)</li> <li>• Human Capital Development</li> </ul>	<ul style="list-style-type: none"> <li>• SDG 1: No Poverty</li> <li>• SDG 3: Good Health and Well-being</li> <li>• SDG 5: Gender Equality</li> <li>• SDG 8: Decent Work and Economic Growth</li> <li>• SDG 10: Reduced Inequalities</li> </ul>

Human Rights (Child Labor, Forced Labor, Discrimination, Harassment)

DMW’s Human Rights Commitment sets out clear expectations for ethical and respectful conduct across the organization, with explicit opposition to child labor, forced labor, human trafficking, harassment, and discrimination. This commitment applies to both internal operations and engagements with business partners and is supported by policies and practices that promote safe working conditions, dignity, and fair treatment.

In 2025, DMW recorded zero incidents involving child labor, forced labor, discrimination, or harassment. No legal actions or employee grievances related to these matters were reported during the year, reflecting the effectiveness of existing safeguards and internal controls.

**Table 24. Incidents of Child Labor, Forced Labor, Discrimination, and Harassment**

	2023	2024	2025	% Latest YOY Change
No. of legal actions or employee grievances involving forced or child labor	0	0	0	No Change
No. of Incidents of Discrimination and Harassment	0	0	0	No Change

The company continues to value diversity and inclusion, with employment decisions based on qualifications, merit, and business requirements. As of 2025, women accounted for approximately

42% of DMW's total workforce, reflecting steady progress in gender representation across the organization.

Six employees voluntarily identified as members of the LGBTQ+ community, and six employees are persons with disabilities. To respect individual privacy, disclosures are presented on an aggregated basis, without identifying personal details in subsequent tables.

**Table 25. Employee Breakdown by Gender**

	2023	2024	2025	% Latest YOY Change
Total number of employees	398	453	478	5.52%
No. of female employees	163	184	200	8.70%
No. of male employees	235	269	278	3.35%

**Table 26. Employee Breakdown by Position and Gender**

Position	Male	Female	Subtotal by position
Executive / Top Management	6	1	7
Senior Management	18	7	25
Middle Management	41	18	59
Officers and Professionals	66	69	135
Rank and File	54	91	145
Blue collar workers	22	5	27
Skilled workers	60		60
Consultant	11	9	20
<b>Total</b>	<b>278</b>	<b>200</b>	<b>478</b>

**Table 27. Employee Breakdown by Age and Gender**

Age	Male	Female	Subtotal by age
< 30 years old	80	110	190
30-50 years old	156	83	239
> 50 years old	42	7	49
<b>Total</b>	<b>278</b>	<b>200</b>	<b>478</b>

**Table 28. Equal Opportunity**

	2023	2024	2025	% Latest YOY Change
PWDs in the workforce	5	7	6	-14.29%
No. of employees from vulnerable sector	72 (Class D&E)	68 (Class D&E)	46 (Class D&E)	-32.35%
LGBTQ+ in the workforce	3	6	6	0.00%

Employee Well-being

DMW supports employee well-being through fair compensation and a benefits framework designed to balance statutory requirements with flexibility and practical support. Key benefits include flexible working arrangements, leave benefits, cash advances, and select mobility-related support, among others. Flexible working hours continue to be widely utilized across the workforce. A summary of employee benefits and utilization rates is provided in Table 29.

Employee well-being and workplace culture are monitored through regular Employee Engagement and Culture Surveys. The survey uses a 4-point Likert scale, ranging from “strongly agree” to “strongly disagree,” and focuses on indicators related to engagement, support, and workplace experience. In 2025, 98% of respondents reported satisfaction, consistent with results from the previous two years, indicating sustained positive employee sentiment.

In 2025, DMW was again certified as a Great Place to Work®, marking its second consecutive year of certification following its initial recognition in 2024. The certification is based on an independent assessment of employee feedback and evaluates factors such as trust, respect, and collaboration within the workplace.

**Exhibit 1. Great Place to Work Badge**

**Table 29. Employee Benefits**

Benefits	% of women who availed in 2025	% of men who availed in 2025
SSS	16%	20%
Philhealth	1%	0%
Pag-IBIG	18%	24%
Parental leave	0%	0%
Vacation Leave	61%	52%
Sick Leave	61%	52%
Medical benefits (aside from Philhealth) HMO	0%	0%
Housing assistance (aside from Pag-ibig)	0%	0%
Retirement fund (aside from SSS)	0%	0%
Further education support	0%	0%
Company Stock options	0%	0%
Telecommuting	0%	0%
Flexible working hours	94%	94%
Cash Advances	2%	9%
Car Plan	1%	2%

**Table 30. Employee Engagement and Culture Survey Results**

	2023	2024	2025	% Latest YOY Change
Satisfied respondents	98%	98%	98%	0%

### Occupational Health and Safety

Occupational health and safety remain a core operational priority for DMW and is embedded within the company's overall risk management framework. The Enterprise Risk Management Manual identifies OHS as a critical risk area and provides the basis for implementing preventive controls, site-specific protocols, and continuous monitoring across operations and construction activities.

DMW applies stringent safety standards across all work sites, with controls designed to address both routine operations and elevated risks associated with construction and adverse weather conditions. These measures include the deployment of qualified safety officers, on-site medical support, and trained first responders, supported by clear emergency procedures. Regular safety drills, structured safety trainings, and weekly safety huddles are conducted to reinforce awareness and compliance among employees and contractors.

In 2025, DMW recorded 1,200,496 safe man-hours across its operations. During the year, the company reported zero work-related fatalities, zero recordable injuries, and zero cases of work-related illness. This performance reflects the consistent application of safety controls and the effectiveness of preventive measures across the estate.

**Table 31. Occupational Health and Safety**

	2023	2024	2025	% Latest YOY Change
Safe Man-Hours (covers site-based workers only)	913,808 hr	1,067,600 hr	1,200,496 hr	12.45%
Lost-Time Injury Frequency Rate	0	0	0	No Change
No. of work-related injuries	0	0	0	No Change
No. of work-related fatalities	0	0	0	No Change
No. of work-related ill-health	0	0	0	No Change
No. of safety drills and training (includes those undergone by both	3 employee safety trainings	5 employee safety trainings	6 employee safety trainings	20.00%

employees & on-site workers)	Weekly huddles to reinforce safety protocols	Weekly huddles to reinforce safety protocols	Weekly huddles to reinforce safety protocols	
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Employee Retention

DMW views employee retention as a key indicator of workplace stability and engagement. In 2025, the company further reduced its turnover rate to 20.0%, from 20.5% in 2024 and 32.0% in 2023, reflecting continued improvement and stabilization following earlier workforce normalization.

The sustained reduction in turnover is aligned with initiatives described across the People sections of this report. These include consistent employee engagement efforts, flexible working arrangements, access to employee benefits, regular engagement and culture surveys, and a continued focus on fair labor practices and employee well-being. The company’s emphasis on safe working conditions, transparent policies, and open communication channels has also contributed to a more stable and supportive work environment.

In 2025, DMW again secured the Great Place to Work certification, reinforcing positive employee sentiment and providing external validation of workplace culture. Together, these measures support employee retention by fostering trust, engagement, and a sense of long-term affiliation with the organization.

**Table 32. Turnover Rate**

	2023	2024	2025	% Latest YOY Change
Turnover rate	32.0%	20.5%	20.0%	-2.4%

Human Capital Development

Human capital development remains central to DMW’s long-term competitiveness and operational resilience. In 2025, the company further expanded its learning initiatives, delivering a broad range of in-house and external training programs across technical, compliance, leadership, and sustainability disciplines.

Total training hours increased to 7,359 hours, representing a 13.16% year-on-year increase and the highest level recorded over the past three years. Average training hours per employee rose to 15.4 hours, reflecting sustained investment in workforce capability-building. Training participation among female employees increased by 24.20% year on year, reinforcing DMW’s commitment to inclusive professional development.

Programs conducted during the year covered energy management and environmental compliance certifications, sustainability and finance-related courses, construction safety, project management, digital tools, leadership development, and employee wellness initiatives. This balanced approach ensures that employees are equipped with both technical expertise and broader professional competencies.

The company's Career Pathing Program continued to support internal mobility, with an internal hire ratio of 20% in 2025. Structured succession planning and targeted development initiatives enabled qualified employees to assume expanded roles, strengthening institutional knowledge and workforce continuity.

By continuously refining and expanding its training programs, DMW fosters a growth-oriented culture, equipping employees with the necessary tools to excel in their careers while ensuring alignment with the company's long-term vision and business objectives.

**Table 33. In-House Training Programs**

In-House Training and/or Standard Learning Sessions	Topics / skills
New Employee Orientation	Company Profile, Vision, Mission and Values, Policies and Procedures, Safety and Health Protocols, Guidelines
HR Hour	HR Updates, Timekeeping Policies and Procedures, Protocols and Guidelines and other pandemic-related topics (Resilience, Health Tips, Mental Health), Anti Money Laundering and other Law Updates
Sales Training	Presentation Skills for Property Specialists
Enhance Your Skills: Time Management Training	Time Management, Planning
Fatigue and Stress Management	Wellness, Stress Management
Cervical Cancer Awareness	Cervical Cancer Awareness

**Table 34. External Training Programs, Seminars, and Courses**

Program	Topics and Skills
ISO Orientation	Quality Management
Building Blocks: Project Management Edition - Volume Two Class	Project Management
Condominium Law of the Philippines	Real Estate & Construction Law
Certified Energy Auditor Training	Energy Auditing & Efficiency
Certified Energy Manager Training	Energy Management

Certificate Course on Essentials of HR	Human Resource Management
Unlocking the Power of Building Information Modelling (BIM)	BIM & Digital Construction
Insurance Claims Training	Insurance & Risk Management
I.T Project Management	IT Project Management
Creating a Culture of Inclusion in the Philippine Workplace	Diversity, Equity & Inclusion
Navigating the Latest Tax Updates	Taxation & Regulatory Compliance
Geodetic Engineers of the Philippines Annual Regional Convention	Geodetic Engineering Updates
Administration and Compliance of Labor Standards and Benefits	Labor Law Compliance
Labor Made Simple: Understanding the Sena Rule	Labor Dispute Resolution
Pollution Control Officer	Environmental Management & Compliance
Safety First: Key Updates and Compliance Strategies under DOLE's DO 252-25	Occupational Safety & Health Compliance
Compliance to the Philippine Sustainable Finance Taxonomy	Sustainable Finance & ESG
Certified Energy Manager Training	Energy Management
ACEL Accreditation: Dump Truck	Heavy Equipment Operation
Using Emotional Intelligence in the Workplace	Emotional Intelligence
Fundamentals of Construction Law & Dispute Resolution Course	Construction Law & Claims
Construction Project Management	Construction Project Management
2025 AWC: Spotlight on Commerce Industry	Industry Trends & Business Development
Construction Occupational Safety and Health	Construction Safety Management
Occupational First Aid Training Batch 1	First Aid & Emergency Response
Occupational First Aid Training Batch 2	First Aid & Emergency Response
The Business of Treasury: Banking Perspective	Treasury & Banking Operations

Professional Image Enhancement Workshop	Professional Presence & Personal Branding
Leading with Emotional Intelligence: Strengthening Leadership Presence Batch 1	Leadership Development
Essential People Management	People & Team Management
2025 PICPA Mid-Year Sustainability	Sustainability & Corporate Reporting
62nd PMAP Conference	Human Capital & Organizational Development
Time Management for Technical People	Productivity & Time Management
Leading with Emotional Intelligence: Strengthening Leadership Presence Batch 2	Leadership Development
50th IIEE Annual National Convention	Professional Practice & Industry Updates
ACEL Accreditation: Hydraulic Excavator	Heavy Equipment Operation
BPI Economic Briefing	Economic & Market Awareness
MySQL Database Professional Certificate	Data Analytics
Conference on Managing Risk in Philippine Construction	Construction Risk Management
Advanced Microsoft Excel Training	Data Analytics
Finance for Non-Financial Managers	Financial Literacy
Analytics for Business	Business Financial Analysis
EMB-NCR Environment Summit 2025	Environmental Sustainability & Regulation
Customer Service	Customer Service Excellence
Certified CCTV Operator	Security Systems Operation
Customer Service Resharpener Course	Customer Service Excellence
Cervical Cancer Awareness	Health Awareness
Revised Implementing Rules and Regulations	Workplace Safety Updates
HIV Awareness Webinar	Health Awareness

**Table 35. Employee Training and Development**

	2023	2024	2025	% Latest YOY Change
Total training hours (hr)	6,446.0 hr	6,503.0 hr	7,359.0 hr	13.16%
Female training hours (hr)	2,063.0 hr	2,583.0 hr	3,208.0 hr	24.20%
Male training hours (hr)	4,383.0 hr	3,920.0 hr	4,151.0 hr	5.89%
Average training hours provided to employees	16.20 hr/employee	14.4 hr/employee	15.4 hr/employee	6.94%
Internal hires (%)	27%	20%	20%	N/A

### Economic Development

The Philippine Development Plan 2023–2028 outlines the country’s trajectory toward upper middle-income status, anchored on infrastructure development, private sector participation, and inclusive growth. As a listed property developer, DMW contributes to this agenda through tax payments, local procurement, employment generation, and the development of integrated urban infrastructure, as detailed in Table 36.

In the first quarter of 2025, DMW was recognized by the Parañaque City Government with the Gawad Palanyag Award as one of the city’s top taxpayers. The recognition also cited the company’s sustained corporate social responsibility initiatives, underscoring its role not only as a revenue contributor but as an active participant in local development.

Over six decades, DMW has adapted to shifts in the real estate cycle while maintaining a diversified portfolio of development, leasing, and construction activities. As of end-2025, the company leases out 180,731 square meters of land, manages 235,846 square meters of leasable floor area, continues to market residential projects, and undertakes construction and infrastructure works. This sustained operational scale reflects DMW’s ongoing contribution to economic activity at both the local and national levels.

**Table 36. Material Topics under Economic Development**

Material topics	UN SDGs
<ul style="list-style-type: none"> <li>• Economic value generated</li> <li>• Employment generated</li> <li>• Local purchases</li> </ul>	<ul style="list-style-type: none"> <li>• SDG 1: No Poverty</li> <li>• SDG 8: Decent Work and Economic Growth</li> </ul>

### Economic Value Generated

Through the continued development of Aseana City, DMW contributes to economic activity by generating employment, stimulating business operations within the estate, and supporting national and local government revenues.

In 2025, DMW recorded revenues of approximately Php3.8 billion, reflecting stable growth across business segments. A detailed discussion of financial performance is presented in the Annual Report and summarized in Table 37.

Tax contributions to the government reached Php456 million, underscoring DMW's continued role as a significant revenue contributor at the local and national levels. Payments to suppliers rose to Php3.5 billion, supporting contractors, service providers, and partner enterprises across the value chain. Investments in community infrastructure and programs reached approximately Php332 million, reflecting the company's continued commitment to inclusive and sustainable urban development.

**Table 37. Direct Economic Value Generated and Distributed**

	2023	2024	2025	% Latest YOY Change
Direct economic value generated (Revenue)	P4,098,961,536.00	P3,695,722,974.97	P3,815,832,004.76	3.25%
Direct economic value distributed:				
Operating costs	P1,758,647,089.00	P1,183,757,309.80	P1,222,548,217.57	3.28%
Employee wages & benefits	P193,422,620.00	P210,823,805.21	P238,469,467.51	13.11%
Payments to suppliers and other operating costs	3,161,603,993.72	P3,308,222,533.40	P3,498,572,179.69	5.75%
Dividends to stockholders and interest payments to loan providers	P268,047,472.00	P441,802,546.27	P466,452,367.57	5.58%
Taxes given to government	P388,658,216.00	P508,660,226.26	P455,988,682.55	-10.35%
Community investments (e.g., donations, CSR)	P224,300,821.00	P284,318,695.46	P332,212,929.90	16.85%

### Employment Generated

DMW recognizes its workforce as a core driver of operational performance and long-term growth. As the company expands its developments and estate operations, employment generation remains an important dimension of its economic contribution.

In 2025, DMW hired 161 new employees, resulting in a new hire rate of 35.54%. Recruitment during the year reflected balanced gender representation, with 80 female and 81 male hires. The scale of hiring aligns with increased operational activity across the portfolio and supports the company’s continued development pipeline.

**Table 38. Newly Hired Employees**

Company	New female employees	New male employees	Total new employees
Total	80	81	161
New hire rate			35.54%

Local Purchases

DMW prioritizes local sourcing as part of its contribution to domestic economic activity. In 2025, 99.7% of the company’s suppliers were locally based, accounting for 98.2% of total procurement spend. This reflects a deliberate approach to strengthening Philippine enterprises and sustaining local value chains.

By directing the majority of its procurement budget to domestic suppliers, DMW supports employment generation, business continuity, and supply chain resilience within the country. The company continues to cultivate and expand its network of local partners to reinforce its role in supporting national economic development.

**Table 39. Procurement Practices**

Location	Number of suppliers	% of Total suppliers	% of Procurement Budget
Local	587	99.7%	98.2%
International	2	0.3%	1.8%
Total	392	100%	100%

*Local suppliers include foreign brands with local operations in the Philippines.*

**SUMMARY OF DISCLOSURES**

**A. ECONOMIC DISCLOSURES**

Economic Disclosures	2023	2024	2025	Latest YOY change
ECONOMIC PERFORMANCE				
Direct Economic Value Generated and Distributed				

Direct economic value generated (Revenue)	P4,098,961,536.00	P3,695,722,974.97	P3,815,832,004.76	3.25%
Direct economic value distributed:				
Operating costs	P1,758,647,089.00	P1,183,757,309.80	P1,222,548,217.57	3.28%
Employee wages & benefits	P193,422,620.00	P210,823,805.21	P238,469,467.51	13.11%
Payments to suppliers and other operating costs	P3,161,603,993.72	P3,308,222,533.40	P3,498,572,179.69	5.75%
Dividends to stockholders and interest payments to loan providers	P268,047,472.00	P441,802,546.27	P466,452,367.57	5.58%
Taxes given to government	P388,658,216.00	P508,660,226.26	P455,988,682.55	-10.35%
Community investments (e.g. community infrastructure, donations, CSR)	P224,300,821.00	P284,318,695.46	P332,212,929.90	16.85%
Climate-Related Risks and Opportunities <sup>1</sup>				
PROCUREMENT PRACTICES				
Proportion of Spending on Local Suppliers				
Percentage of procurement budget spent on local suppliers	98%	99%	98%	-1.01%
ANTI-CORRUPTION				
Training on Anti-corruption Policies and Procedures				
Percentage of employees briefed on corporate anti-corruption policies and procedures	100%	100%	100%	No Change

<sup>1</sup> Refer to discussion in [Climate Disclosures](#) section

Percentage of business partners briefed on corporate anti-corruption policies and procedures	100%	100%	100%	No Change
Percentage of directors and management who have received anti-corruption training	100%	100%	100%	No Change
Percentage of employees and management who have received anti-corruption training	100%	100%	100%	No Change
Incidents of Corruption				
No. of incidents in which directors were removed or disciplined for corruption	0	0	0	No Change
No. of incidents in which employees were removed or disciplined for corruption	0	0	0	No Change
No. of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0	No Change
Contributions				
Lobbying Interest	Php 0	Php 0	Php 0	No Change
Local, regional, or national political campaigns	Php 0	Php 0	Php 0	No Change
Direct Political Contributions	Php 0	Php 0	Php 0	No Change

Trade Associations	Php 0	Php 0	Php 0	No Change
Other spending related to ballot measures or referendums	Php 0	Php 0	Php 0	No Change

## B. ENVIRONMENTAL DISCLOSURES

Environmental disclosures	2023	2024	2025	Latest YOY change
RESOURCE MANAGEMENT				
Energy Consumption and Reduction of Consumption				
Gasoline	12,218.48 liters	12,644.11 liters	13,090.00 liters	3.53%
LPG	N/A	N/A	N/A	N/A
Diesel	529,928.80 liters	351,358.03 liters	300,674.00 liters	-14.43%
Electricity (total including renewable sources)	18,063,342.66 kWh	28,430,709.71 kWh	29,595,078.13 kWh	4.10%
Electricity from renewable sources	5,620,435.63 kWh	11,575,825.25 kWh	28,148,105.13 kWh	143.16%
Electricity from non-renewable sources	12,442,907.03 kWh	16,854,884.46 kWh	1,446,973.00 kWh	-91.42%
Water Consumption				
Water consumption	155,403 m <sup>3</sup>	242,122 m <sup>3</sup>	247,137.00 m <sup>3</sup>	2.07%
Water withdrawal	155,403 m <sup>3</sup>	242,122 m <sup>3</sup>	247,137.00 m <sup>3</sup>	2.07%
Water recycled and reused	0 m <sup>3</sup>	0 m <sup>3</sup>	0 m <sup>3</sup>	No Change
Materials Used				
Renewable	-	-	-	No Change
Percentage of recycled input materials used to manufacture the organization's primary products and services	-	-	-	No Change
Non-Renewable:				

Acetylene	71 tanks	174 tanks	78 tanks	-55.17%
Cement	101,640 kg	109,320 kg	72,000 kg	-34.14%
Common wire nail	233 kg	1,683 kg	548 kg	-67.44%
Concrete pile epoxy	94 sets	1 set	145 set	145x
Cutting disc	253 pcs	517 pcs	36 pcs	-93.04%
Deformed rebars	5,878,163 kg	797,541 kg	103,627 kg	-87.01%
G.I. tie wire	1,952 kg	1,681 kg	5,179 kg	208.16%
Gravel	478 m3	461 m3	110 m3	-75.96%
Grinding disc	125 pcs	182 pcs	35 pcs	-80.77%
HDPE coupling	2 pcs	44 pcs	11 pcs	-75.00%
HDPE pipe	33 rolls	143 rolls	46 rolls	-67.83%
HDPE stub-out	0	0	0	No Change
HDPE tee reducer	2 pcs	20 pcs	0	N/A
Marine plywood	8 pcs	40 pcs	80 pcs	100.00%
Oxygen	123 tanks	347 tanks	85 tanks	-75.50%
Paving block	230,694 pcs	84,013 pcs	206,475 pcs	145.77%
Phenolic board	1,923 pcs	1,827 pcs	1,083 pcs	-40.72%
Primer	76 pails	38 pails	11 pails	-71.05%
Ready-mix concrete	34,902 kg	5,373,000 kg	3,074,250 kg	-42.78%
Vibro sand	388 m3	439 m3	379 m3	-13.60%
Ecosystems and Biodiversity				
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	N/A	N/A	N/A
Habitats protected or restored	N/A	N/A	N/A	N/A

IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	N/A	N/A	N/A
ENVIRONMENTAL IMPACT MANAGEMENT				
Air Emissions - Green House Gases				
Direct (Scope 1) GHG Emissions	1,453.7 MT CO2	975.1 MT CO2	839.83 MT CO2	-13.87%
Indirect (Scope 2) GHG Emissions	1,319 MT CO2	1,796 MT CO2	172.75 MT CO2	-91.40%
Emissions of ozone-depleting substances	N/A	N/A	N/A	N/A
Air Emissions - Air Pollutants				
Nitrogen oxides (NOx)	Not Available	Not available	Not available	N/A
Carbon monoxide (CO)	Not Available	Not available	Not available	N/A
Sulfur oxides (SOx)	N/A	N/A	N/A	N/A
Persistent organic pollutants (POPs)	N/A	N/A	N/A	N/A
Volatile organic compounds (VOCs)	N/A	N/A	N/A	N/A
Hazardous air pollutants (HAPs)	N/A	N/A	N/A	N/A
Particulate matter (PM)	N/A	N/A	N/A	N/A
Solid Waste				
Total solid waste generated	1,252,048 kg	2,053,520 kg	1,719,376 kg	-16.27%
Breakdown of disposal method (reused, recycled, composted, incinerated, residuals) *	N/A	N/A	N/A	N/A
Hazardous Waste				

Total weight of hazardous waste generated and transported	36,810 kg	29,300 kg	10,500 kg	-64.16%
Effluents				
Total volume of water discharges (assumed to be equal to water withdrawal due to no meter installed to measure effluents)	155,403 m <sup>3</sup>	242,122 m <sup>3</sup>	247,137.00	2.07%
Percent of wastewater recycled	0%	0%	0%	No Change
ENVIRONMENTAL COMPLIANCE				
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	TBD**	TBD**	0	N/A
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	1**	2**	0	N/A
No. of cases resolved through dispute resolution mechanism	TBD**	TBD**	0	N/A

\*Data for breakdown unavailable.

\*\*Currently under DENR review

**C. SOCIAL DISCLOSURES**

Social disclosures	2023	2024	2025	Latest YOY change
EMPLOYEE MANAGEMENT				
Employee Hiring and Benefits				
Total number of employees	398	453	478	5.52%
No. of female employees	163	184	200	8.70%

No. of male employees	235	269	278	3.35%
Turnover rate	32.0%	20.5%	20.0%	-2.4%
Absentee rate	7.0%	7.5%	7.5%	No Change
Average length of employee service	4.6 years	4.5 years	4.5 years	No Change
Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1	No Change
Female and male employees who availed of benefits:				
SSS - Female	10%	40%	16%	-60.0%
SSS - Male	26%	19%	20%	5.3%
PhilHealth - Female	10%	1%	1%	0.0%
PhilHealth - Male	26%	1%	0%	-100.0%
Pag-IBIG - Female	3%	14%	18%	28.6%
Pag-IBIG - Male	13%	16%	24%	50.0%
Parental Leave - Female	1%	0%	0%	No Change
Parental Leave - Male	0%	0%	0%	No Change
Vacation Leave - Female	100%	60%	61%	1.7%
Vacation Leave - Male	100%	46%	52%	13.0%
Sick Leave - Female	100%	60%	61%	1.7%
Sick Leave - Male	100%	46%	52%	13.0%
Medical benefits (HMO) - Female	100%	0%	0%	No Change
Medical benefits (HMO) - Male	100%	0%	0%	No Change
Retirement fund (aside from SSS) - Female	0%	0%	0%	No Change
Retirement fund (aside from SSS) - Male	1%	0%	0%	No Change

Telecommuting - Female	0%	0%	0%	No Change
Telecommuting - Male	0%	0%	0%	No Change
Flexible working hours - Female	60%	60%	94%	56.67%
Flexible working hours - Male	91%	46%	94%	104.3%
Cash advances - Female	5%	13%	2%	-84.6%
Cash advances - Male	27%	12%	9%	-25.0%
Car Plan - Female	0%	1%	1%	0.0%
Car Plan - Male	4%	1%	2%	100.0%
Magna Carta Leave for Women	0%	0%	0%	No Change
Further education support - Female	1%	0%	0%	No Change
Further education support - Male	1%	0%	0%	No Change
Housing assistance (aside from Pag-ibig)	N/A	N/A	N/A	N/A
Company Stock options	N/A	N/A	N/A	N/A
<b>Employee Training and Development</b>				
Total training hours provided to employees	6,446.0 hr	6,503.0 hr	7,359.0 hr	13.16%
Female employees	2,063.0 hr	2,583.0 hr	3,208.0 hr	24.20%
Male employees	4,383.0 hr	3,920.0 hr	4,151.0 hr	5.89%
Average training hours provided to employees	16.20 hr/employee	14.4 hr/employee	15.4 hr/employee	6.94%
Female employees	13 hr/employee	14 hr/employee	15 hr/employee	7.14%
Male employees	19 hr/employee	15 hr/employee	16 hr/employee	6.67%
Female employees in STEM (Science, Tech,	79	108	124	14.81%

Engineering, or Mathematics) positions				
Female employees in sales	15	12	13	8.33%
Average amount spent for training per employee	P5,334/ employee	P4,279/ employee	P5,533/ employee	29.31%
Labor Management Relations				
Percentage of employees covered by Collective Bargaining Agreements	N/A	N/A	N/A	N/A
No. consultations conducted with employees concerning employee-related policies	4	5	5	N/A
Diversity and Equal Opportunity				
Percentage of female workers in the workforce	41%	41%	42%	2.44%
Percentage of male workers in the workforce	59%	59%	58%	-1.69%
No. of employees from indigenous communities and/or vulnerable sector	72 (Class D&E)	68 (Class D&E)	46 (Class D&E)	-32.35%
No. of PWDs in the workforce	5	7	6	-14.29%
LGBTQ+ in the workforce	3	6	6	0.00%
Percentage of Asians (Filipinos) in the workforce	100%	100%	100%	No Change
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety				

Safe Man-Hours (covers site-based workers only)	913,808 hr	1,067,600 hr	1,200,496 hr	12.45%
No. of work-related injuries	0	0	0	No Change
No. of work-related fatalities	0	0	0	No Change
No. of work-related ill-health	0	0	0	No Change
No. of safety drills and training (includes those undergone by both employees & on-site workers)	3 employee safety trainings  Weekly huddles to reinforce safety protocols	5 employee safety trainings  Weekly huddles to reinforce safety protocols	6 employee safety trainings  Weekly huddles to reinforce safety protocols	20.00%
Labor Laws and Human Rights				
Policies that explicitly disallow violations of labor laws and human rights in the workplace (Y/N): <sup>2</sup>				
Forced labor	Y	Y	Y	N/A
Child labor	Y	Y	Y	N/A
Human rights	Y	Y	Y	N/A
Anti-harassment	Y	Y	Y	N/A
No. of legal actions or employee grievances involving forced or child labor	0	0	0	No Change
SUPPLY CHAIN MANAGEMENT				
Supplier Accreditation and Screening				
Supplier accreditation policy	Y	Y	Y	N/A
Considering sustainability topics when screening suppliers: environmental	Y	Y	Y	N/A


performance, forced labor, child labor, human rights, bribery and corruption				
RELATIONSHIP WITH COMMUNITY				
Significant Impacts on Local Communities				
For operations affecting IPs, total number of Free and Prior Informed Consent (FPIC) consultations and Certification Preconditions (CPs) secured	N/A	N/A	N/A	N/A
CUSTOMER MANAGEMENT				
Customer Satisfaction				
Average Customer Experience Survey scores by property Net Promoter Score for 2023; 4-point Likert scale Questionnaire for 2024 and 2025				
Aseana One	48.0	3.55 out of 4.00	3.20 out of 4.00	-9.86%
Aseana Two	13.0	3.19 out of 4.00	3.19 out of 4.00	No Change
Aseana Three	67.0	3.48 out of 4.00	3.00 out of 4.00	-13.79%
Aseana Powerstation	59.0	3.43 out of 4.00	3.03 out of 4.00	-11.66%
Aseana Square	23.0	3.33 out of 4.00	3.29 out of 4.00	-1.20%
8912 Asean Ave	Not available	3.52 out of 4.00	3.21 out of 4.00	-8.81%
Parqal	Not available	Not available	3.46 out of 4.00	N/A
Did a third party conduct the customer satisfaction study? (Y/N)	N	N	N	N/A
Health and Safety				
No. of substantiated complaints on product or service health and safety	0	0	0	No Change

Percentage of real estate products assessed for health and safety impacts	100%	100%	100%	No Change
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0	No Change
Incidents of non-compliance with regulations resulting in a warning	0	0	0	No Change
No. of complaints addressed	0	0	0	No Change
Marketing and Labeling				
No. of substantiated complaints on marketing and labeling	0	0	0	No Change
No. of complaints addressed	0	0	0	No Change
Customer Privacy				
No. of substantiated complaints on customer privacy	0	0	0	No Change
No. of complaints addressed	0	0	0	No Change
No. of customers, users and account holders whose information is used for secondary purposes	N/A	N/A	N/A	N/A
Data Security				
No. of data breaches, including leaks, thefts and losses of data	N/A	N/A	N/A	N/A

**D. UN Sustainable Development Goals**

Key Products and Services	UN SDG	Contribution to UN SDG/ Potential Negative Impact/ Management Approach
<ul style="list-style-type: none"> <li>• Estate Development</li> <li>• Commercial Building Leasing</li> <li>• Land Leasing</li> <li>• Residential Development</li> <li>• Land Sales</li> <li>• Construction</li> </ul>		Page 36; Page 38 to 40
		Pages 13 to 14
		Pages 37 to 38
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		Pages 46 to 47
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		Pages 36 to 38
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		Pages 23 to 29
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	Pages 14 to 15; Pages 34 to 36	

**ESG RATING**

ESG Assessment	Rating
 <b>S&amp;P Global</b> Corporate Sustainability Assessment (CSA)	<b>86<sup>th</sup> Percentile Rank or Top 14%</b> Among a global universe of S&P-assessed real estate companies as of Feb 2026