

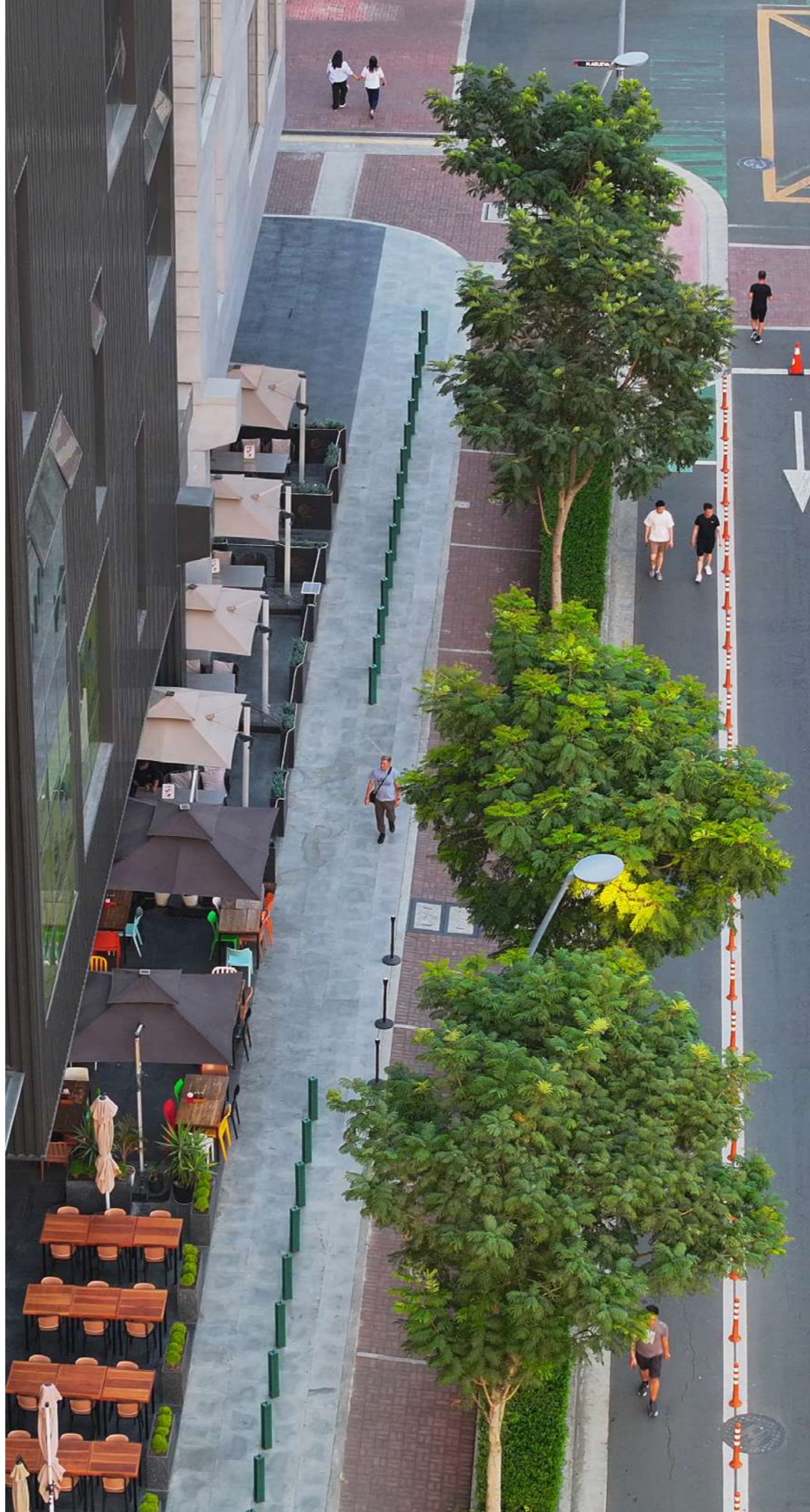


D.M. WENCESLAO
AND ASSOCIATES, INCORPORATED

2025 Annual and Sustainability Report

Structured for

STABILITY



RELEVANT LINKS

- Investor Relations**
www.dmwai.com/investor-relations-program/
- Corporate Governance**
www.dmwai.com/manual-on-corporate-governance/
- Sustainability**
www.dmwai.com/sustainability-pillars

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ABOUT US

D.M. Wenceslao & Associates, Incorporated (PSE: DMW) is an integrated property developer with expertise in land reclamation, construction and real estate development. It is the master developer and primary owner of Aseana City, a development project with a total land area of 107.5 hectares located along the coastal waters of Manila Bay. Since 1965, DMW has reclaimed more than 2.4 million sq.m. of land, leased out or developed over 400,000 sq.m. of land and buildings, and completed over 140 construction and infrastructure projects including large, complex government developments throughout the Philippines.

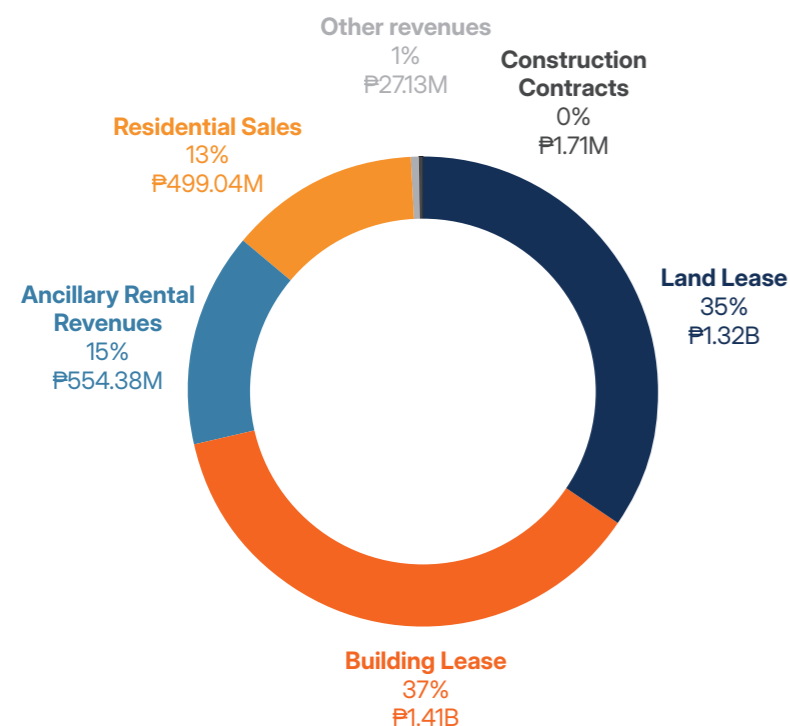
MISSION

To initiate and create sustainable city-scale real estate products which will complement and contribute to the local community and national development.

VISION

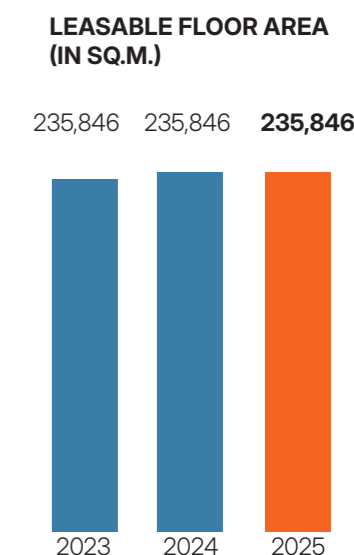
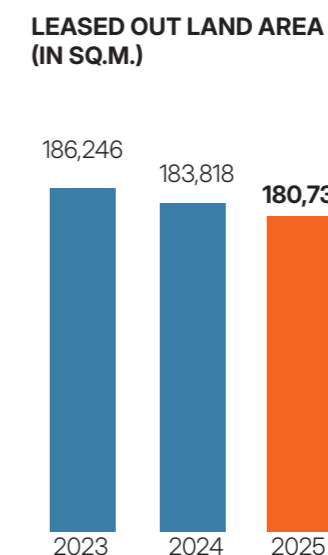
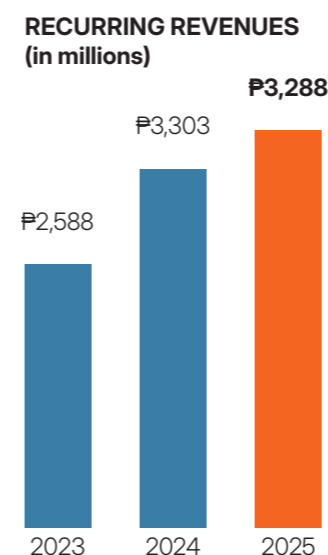
To be the leading city-developer in the country.

Financial HIGHLIGHTS



₱3.82B
TOTAL REVENUE

₱1.86B
CORE NET PROFIT



FINANCIAL RATIOS	2025	2024	2023
Core Net Profit Margin	49%	50%	41%
Core Earnings Per Share	0.55	0.54	0.49
Current Ratio	3.2x	3.2x	3.0x
Debt-to-Equity Ratio	0.08x	0.07x	0.09x

BUILDING LEASE

Leasing of office, retail, and commercial spaces across DMW's commercial buildings and mixed-use assets.

₱1.41B

ANCILLARY RENTAL REVENUES

Recurring income from estate and property-related charges such as CUSA, parking, and other tenant-linked services.

₱554.38M

RESIDENTIAL SALES

Sale of condominium units from DMW's residential developments.

₱499.04M

OTHER REVENUES

Supplementary income from related businesses and other incidental business activities.

₱27.13M



Chairperson's MESSAGE

“From the outset, the company’s ambition has been to create a city-scale environment where offices, residences, retail, institutions, mobility infrastructure, and public spaces reinforce one another.”

Fellow shareholders,

2025 was a year that affirmed the enduring strength of D.M. Wenceslao’s vision.

What sets DMW apart is that it has never approached development as the construction of standalone assets. From the outset, the company’s ambition has been to create a city-scale environment where offices, residences, retail, institutions, mobility infrastructure, and public spaces reinforce one another. That vision has guided DMW through changing cycles, and in 2025, it once again proved its value.

In an environment where the broader Metro Manila property market remained challenged by elevated office vacancy and still-high residential inventory, DMW demonstrated that stability is achieved not through caution alone, but through thoughtful design. The company’s long-standing vision for Aseana City as an integrated urban district continued to take clearer shape, and with it, the resilience of its business model became even more evident.

Progress Amidst a Challenging Market

Even as the property sector continued to contend with a difficult operating backdrop, DMW delivered stable results. FY2025 core net income grew to ₱1.9 billion, supported by resilient rental earnings and stronger residential contributions.

DMW’s robust financial standing has continued to support not only growth, but also its commitment to shareholder returns. In March 2026, the Board approved a regular cash dividend of ₱0.10 per share, representing the highest cash dividend declared by the company to date.

For us, this remains an important expression of stewardship. It demonstrates that DMW can continue to invest for the future while maintaining a clear commitment to delivering tangible returns to shareholders.

Sustainability as a Pillar of Long-Term Value

Sustainability remains integral to DMW’s identity and to the way it creates long-term value.

The company’s developments are designed not only for commercial relevance, but also for resilience, efficiency, and quality of life. These principles continue to be validated by external institutions. DMW was again included in the ATRAM Philippine Sustainable Development and Growth Fund for 2026, marking the fourth consecutive year that the company has been selected for the sustainability-focused fund. Its continued inclusion reflects the extent to which sustainability has been embedded into operations, policies, and developments across the business.

DMW also remained among the top performers in global sustainability benchmarks. As of February 2026, the company ranked in the 86th percentile, placing it among the top 14% of S&P-assessed real estate companies worldwide.

These recognitions affirm that DMW’s efforts in sustainability are not peripheral, but central to how it builds, operates, and grows.

Appreciation

None of these achievements would have been possible without the dedication of DMW’s management team and employees, and without the trust of its shareholders, partners, tenants, and communities.

On behalf of the Board, I extend my heartfelt gratitude to everyone who has contributed to the company’s progress. Your continued support has enabled DMW to move forward with confidence and purpose.

As we look ahead, I remain optimistic. D.M. Wenceslao has spent decades building not only projects, but a foundation for lasting value. That foundation continues to strengthen, and I believe it will serve the company well in the years ahead.

Thank you for being part of D.M. Wenceslao’s continuing journey.

DRA. SYLVIA C. WENCESLAO
Chairperson



“Stability is not accidental. It is embedded in the way Aseana is built, in the sequencing of developments, and in the financial discipline that supports it.”

In real estate, the strength of a business model becomes clearest when the market is under strain. That was very much the case in 2025.

Metro Manila’s property market remained uneven. Office vacancy stayed elevated, and residential inventory remained high. Colliers reported end-2025 Metro Manila office vacancy at 19.4%, while condominium inventory life remained elevated at 95 months. Those numbers narrate that even if activity is improving in certain pockets, the broader recovery is still incomplete.

Against that backdrop, DMW delivered another year of resilient performance. 2025 core net income grew to ₱1.9 billion. Recurring revenues reached ₱3.3 billion, accounting for 86% of total revenues. Commercial building and ancillary rental revenues rose to ₱2.0 billion, while residential revenues increased 29% to ₱499 million.

These results reflect the advantages of a platform that was designed from the outset to be resilient. Aseana City was envisioned as an ecosystem where offices, residences, retail, institutions, mobility infrastructure, and public spaces reinforce one another, rather than just function in isolation. That interdependence means that the value of each component is strengthened by the presence of the others. It also means the business is less dependent on the performance of any single segment.

That is what “Structured for Stability” means to DMW. Stability is not accidental. It is embedded in the way Aseana is built, in the sequencing of developments, and in the financial discipline that supports it.

Stable Throughout

Our leasing platform continued to provide earnings visibility and cash flow resilience. At the same time, the rising profile of Parqal helped support tenant activity and foot traffic,

which in turn strengthened the broader estate environment. MidPark Towers began transitioning from development into a lived-in community, adding a new residential base that further deepens Aseana City’s live-work-play dynamic.

What I find especially important is that these are not standalone achievements. They are connected. Office activity supports retail. Public space activation improves the appeal of the district to both occupiers and residents. Residential handovers add daily life and recurring consumption into the estate. Construction capability helps us move projects forward with greater certainty. This is the strength of developing a city rather than a series of disconnected buildings.

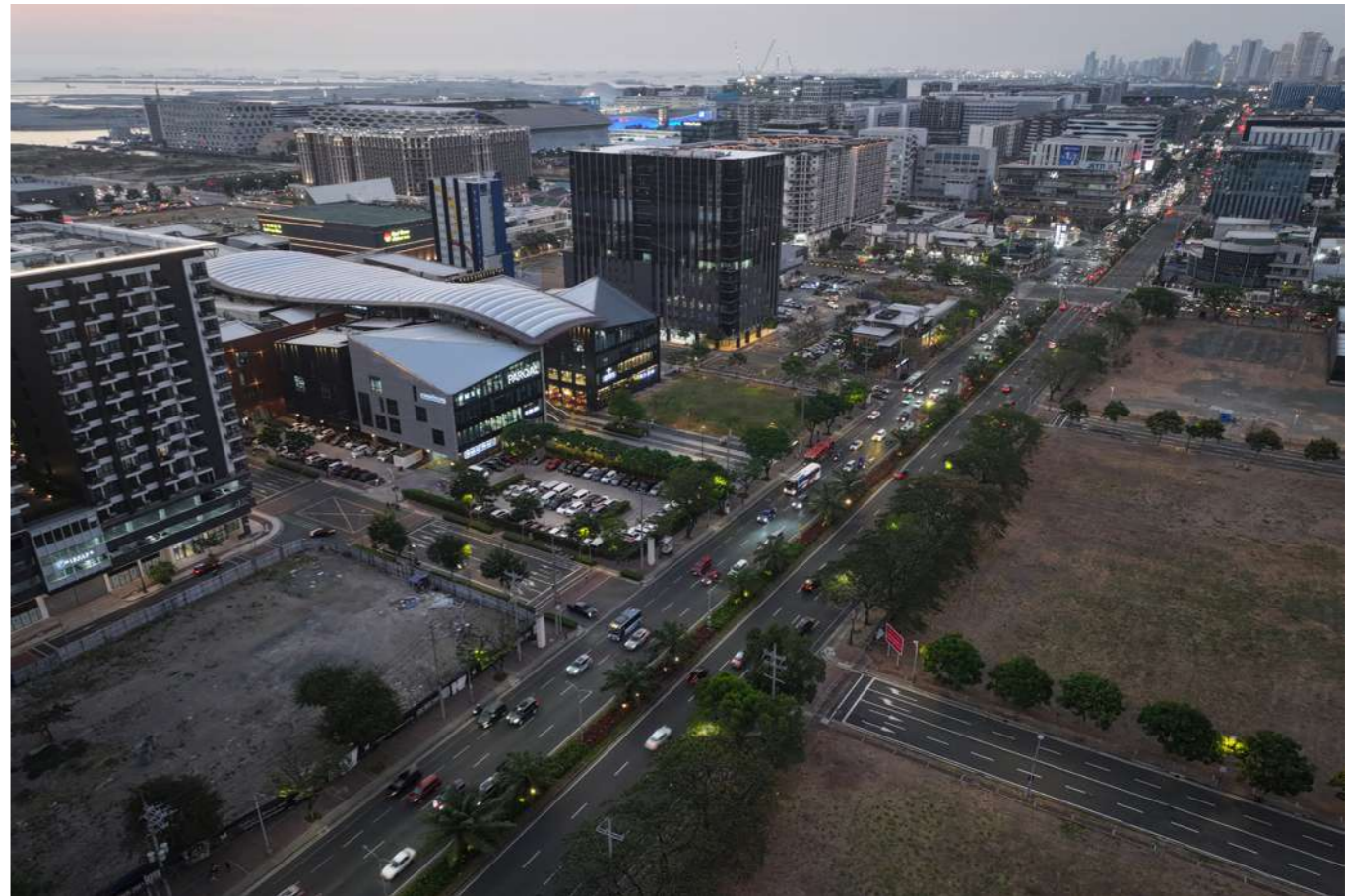
In May 2025, we broke ground on Aseana Plaza Phase 1, the first phase of what will be our largest commercial project to date. This is a major step in the next chapter of Aseana City. It reflects our confidence that high-quality, well-located office products inside an integrated district will continue to attract demand over time, even in a market that is still working through oversupply.

We also entered the flexible workspace segment through AXS Aseana, expanding our leasing platform in a way that reflects changing tenant preferences.

Financial Discipline as a Strategic Advantage

A resilient business model is enabled by a resilient balance sheet. This has long been one of DMW’s guiding principles. We have always believed that the ability to move decisively in uncertain environments depends on financial flexibility.

Our low leverage and net cash position gave us the capacity to continue investing in our pipeline while preserving balance sheet strength. In a cyclical business such as real estate, flexibility is a strategic advantage. It allows us to stay disciplined when others may be forced to react to short-



“A district remains relevant when it continues to meet the evolving needs of the people and institutions that use it.”

term market conditions. It also gives us the ability to pace development properly, protect returns, and maintain a long-term perspective.

That same discipline has also underpinned our approach to shareholder returns. In March 2026, DMW raised its regular cash dividend to a new record high of ₱0.10 per share, marking the company’s eighth consecutive year of dividend distribution since listing.

Building for Long-Term Relevance

A conviction I hold strongly is that value creation in a city-scale estate comes from relevance.

A district remains relevant when it continues to meet the evolving needs of the people and institutions that use it. That means not only building offices or residences, but creating an environment where business, daily life, mobility, and community can function together. It also means investing in sustainability, resilience, and public realm quality so that the estate continues to perform well over the long term.

This is why Aseana City’s development has always gone beyond traditional asset classes. It is also why DMW continues to invest in features that make the district more connected, more livable, and more future-ready. The

estate’s master-planned structure, mobility links, public spaces, and sustainability initiatives are all part of the same long-term logic: a stronger district supports stronger business outcomes over time.

Looking Ahead

As we move through 2026, the external environment has become more uncertain.

The escalation of the U.S.-Iran conflict in early 2026 has pushed oil prices sharply higher. At the same time, the Philippines’ headline inflation rose to 4.1% in March 2026, above the BSP’s 2% to 4% target band.

These developments potentially raise the risk of a more hawkish monetary backdrop than many had expected at the start of the year. That could delay the broader property sector’s recovery, particularly in segments that are still working through elevated vacancy and inventory. It is precisely in an environment like this where resilient business design matters most.

For DMW, this does not change the direction of the strategy. It reinforces it.

We will continue to move forward with discipline. We will continue to prioritize recurring income, prudent capital

allocation, and measured execution. We will continue to build Aseana City as an integrated district whose value compounds over time. And we will continue to make decisions with the understanding that long-term resilience is built well before uncertainty arrives.

I remain confident in the path ahead, not because the market is free of risk, but because DMW has spent years building a platform that is better equipped to navigate it.

We have the right assets, the right strategy, and the right financial foundation for the next phase of our growth. To our shareholders, tenants, residents, partners, and employees, thank you for your continued trust and support.

Maraming salamat!


DELFIN ANGELO C. WENCESLAO
 Chief Executive Officer



Business REVIEW

D.M. Wenceslao's 2025 results reflected the strength of a business model deliberately structured for stability. The year was marked by a still-challenging Metro Manila property market, with elevated office vacancies and high residential inventory levels tempering the broader sector backdrop. Against this backdrop, DMW delivered stable earnings, supported by the interdependence of its leasing, residential, construction, and community-building platforms within Aseana City.

DMW is not merely a builder of standalone office or residential assets, but a city developer whose businesses reinforce one another. This integrated structure enabled DMW to generate recurring income, maintain balance sheet strength, and continue advancing its pipeline even as sector-wide conditions remained soft. For FY2025, core net income grew to ₱1.9 billion. Recurring revenues reached ₱3.3 billion, accounting for 86% of total revenues, while residential revenues rose 29% to ₱499 million. DMW ended the year with a debt-to-equity ratio of 0.08x and a net cash position of ₱1.4 billion.

CEO's

PERSPECTIVE

Embedded Stability

“For DMW, stability is embedded in the design of the business itself. Aseana City is a master-planned estate where offices, residences, retail, institutions, mobility infrastructure, and public spaces reinforce one another. This creates a platform that is better able to absorb cyclical shifts in any single segment. By building a community rather than standalone structures, we have created a more resilient foundation that can weather industry cycles and deliver consistent value to stakeholders.”





LEASEING

₱3.3B

Recurring revenues

Leasing remained the company's principal stabilizer in 2025. Throughout the year, DMW sustained healthy rental performance from land, commercial buildings, and ancillary leasing sources. Recurring revenues stood at ₱3.3 billion, while commercial building and ancillary rental revenues rose to ₱2.0 billion, reflecting stable occupancy across DMW's portfolio.

₱2.0B

Commercial building and ancillary rental revenues

DMW's portfolio continued to benefit from the advantages of an integrated estate, a differentiated tenant mix, and the continued establishment of Aseana City as a prime business address. This allowed the company to sustain occupancy and rental earnings despite a market still digesting prior oversupply.

70,000

Square meters of gross leasable area for phase 1 of Aseana Plaza

DMW also continued to broaden its leasing platform during the year. In May 2025, the company broke ground on Aseana Plaza Phase 1, the first phase of what will be DMW's largest commercial project to date. Phase 1 will deliver approximately 70,000 square meters of gross leasable area, out of roughly 130,000 square meters for the full development and will anchor the next phase of premium office expansion within the estate. Later in the year, DMW launched AXS Aseana, a 687-square meter co-working and flexible workspace hub in Aseana II, marking its entry into the flexible workspace segment and broadening its product offering within Aseana City.

COMMUNITY-CENTRIC ETHOS

In 2025, Aseana's community-centric ethos served as both a differentiator and a stabilizer of estate performance. Parqal deepened its role as a community and consumption engine for Aseana City, supporting tenant sales, driving percentage-of-sales collections, and reinforcing the broader attractiveness of the district. In 2025, DMW reported higher percentage-of-sales collections from top-performing F&B, retail, and wellness tenants at Parqal, demonstrating how foot traffic and curated public spaces translate into recurring economic value.

This is central to the Aseana model. DMW does not treat community building as a peripheral branding exercise. Rather, it is part of the estate's earnings architecture. High-quality public spaces improve tenant experience, support retail productivity, strengthen the proposition for office locators, and make the estate more compelling for future residents. In this way, the Aseana Community contributes directly to business stability by increasing the degree to which each component of the estate supports the others.

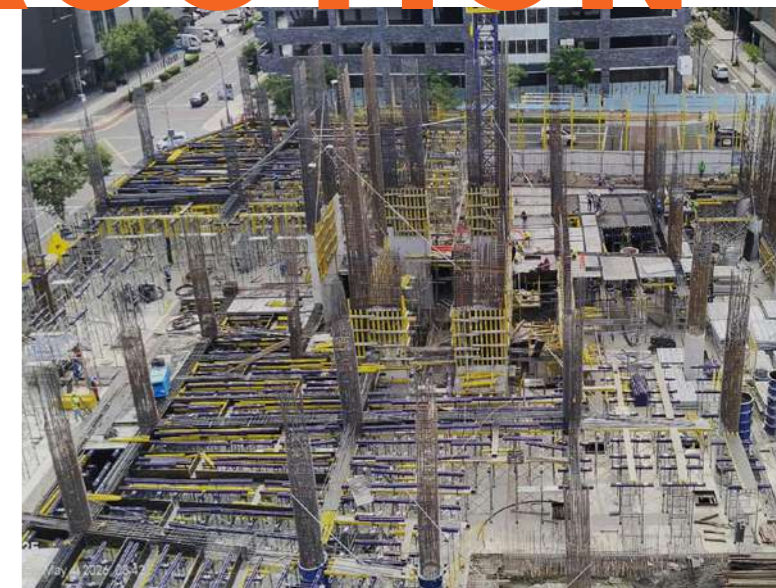




RESIDENTIAL

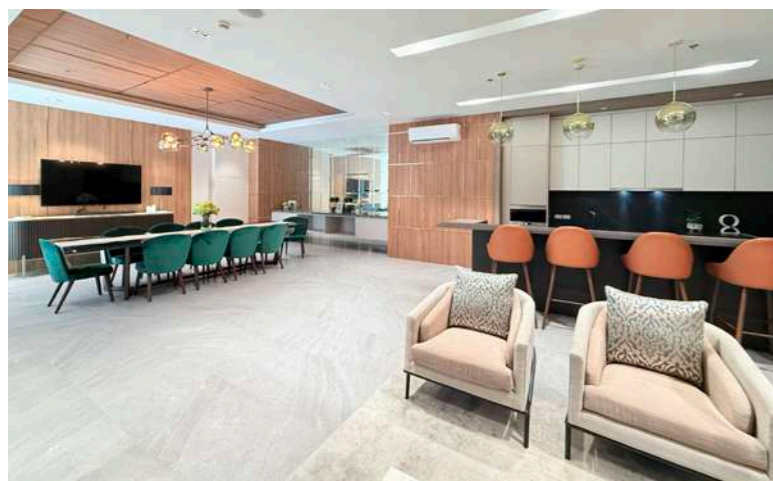


CONSTRUCTION



2025 was also a transition year for DMW's residential business as MidPark Towers moved from late-stage construction into handover. In the year, residential revenues increased 29% to ₱499 million. MidPark Towers had already welcomed hundreds of residents by year-end, embedding its new residents into Aseana City's live-work-play ecosystem.

This performance was delivered despite a Metro Manila residential market that remained weighed down by elevated inventory. Colliers estimated end-2025 residential vacancy at 24.7% and noted that overall remaining inventory life, while down from its peak, still stood at 95 months.



29% Increase in revenues
₱499M Residential revenues by end-2025

As one of the few AAAA contractors in the country, with more than 60 years of operating history, over 2.4 million square meters reclaimed, and more than 140 construction and infrastructure projects completed, DMW retains capabilities that are especially valuable in periods of market uncertainty and execution risk. These capabilities support tighter control over build quality, project sequencing, and capital deployment across the estate.

That vertical integration was evident in 2025 through the continued progress of MidPark Towers and the active construction of Aseana Plaza Phase 1. For a company developing at city scale, stability depends not only on demand, but also on the ability to deliver projects in a disciplined and timely manner. DMW's construction business remains an important part of that discipline.

In select land sales and land lease agreements, DMW negotiates a right to match the lowest bid for certain construction works. Such allows DMW opportunities for its construction segment to generate additional revenues.

60+
Years of operating experience

2.4M
Square meters reclaimed

140
Construction and infrastructure projects completed



Aseana City comprises one of the largest and most contiguous mixed-use landbanks in Metro Manila, with DMW owning 62 hectares within the estate, including 31 hectares of developable land reserves. This provides the company with substantial runway for long-term expansion. The estate also continued to benefit from its strategic location and improving connectivity. The Redemptorist-Aseana Station on the LRT-1 Cavite Extension, which opened in late 2024, directly links Aseana City to a wider Mega Manila rail population of approximately 19 million, strengthening the district's access to talent, consumers, and locators.

Aseana was further reinforced by the addition of institutional anchors, reinforcing its role as a complete and integrated urban district. Landers Superstore opened its Aseana branch in December 2025 along J.W. Diokno Boulevard, adding a full-service membership retail offering within the estate. Meanwhile, the De La Salle-College of Saint Benilde announced its future Aseana campus, which will serve as an educational anchor housing programs from the School of Environment and Design and the School of Management and Information Technology.

These additions solidify Aseana's role as an integrated urban district. A city developer creates more durable value when essential uses reinforce one another. In DMW's case, retail convenience, educational institutions, transport infrastructure, offices, residences, and thoughtfully activated public spaces work in concert to enhance the estate's long-term competitiveness.





OUTLOOK

Philippine Economy

The Philippine economy entered 2026 with the support of a meaningful easing cycle behind it.

The backdrop has since become more complicated. The escalation of the U.S.-Iran conflict has introduced a more hawkish tone into the macro environment. Oil prices surged above \$100 per barrel in 1Q2026 amid the US/Israel-Iran War. In the Philippines, headline inflation accelerated to 4.1% in March 2026, breaching the BSP's 2% to 4% target range. The central bank has since said that the inflation risk environment has shifted meaningfully to the upside and that it will remain vigilant in assessing the need for further action.

Higher oil prices, inflationary pressures, and the possibility of a more hawkish BSP could delay the pace of recovery in segments of the property market that remain burdened by elevated vacancy and inventory. In this environment, resilience, recurring income, and balance sheet strength become even more important differentiators.

Property Market

The Metro Manila office market ended 2025 on firmer footing, although vacancy levels remained elevated. Colliers reported overall office vacancy of 19.4% as of end-2025, with net take-up reaching 309,000 square meters and annual office transactions rising to 847,000 square meters.

For 2026, Colliers forecasts vacancy to ease modestly to 18.9%, supported by net take-up of 400,000 square meters. While these trends point to improving market activity, vacancy remains high by historical standards and the recovery is likely to be gradual rather than immediate.

Against this backdrop, Aseana City remains relatively well-positioned. DMW has historically benefited from a more differentiated demand profile, with locators valuing integrated mixed-use environments, transport connectivity, and an increasingly complete amenity base. While market-wide oversupply continues to weigh on the office sector, the continuing flight to quality should favor estates that offer more than standalone office space.

The residential market also remains challenging. Colliers reported overall Metro Manila residential vacancy of 24.7% as of end-2025. Remaining inventory life declined to 95 months from its peak earlier in the year, but the market still carries a substantial overhang. Importantly, much of this inventory remains concentrated in the mid-income segment, while the upper luxury segment, where DMW's offerings are, continues to show comparatively healthier inventory levels. These conditions suggest that recovery in the residential market is underway but will likely remain gradual and uneven across locations and price points.

5-Year Development Pipeline

DMW's development pipeline over the next five years remains disciplined, reflecting confidence in Aseana City's long-term potential while remaining grounded in evolving market conditions.

As the next phase of the company's largest commercial development, the 60,000-square-meter Aseana Plaza Phase 2 will build on the momentum established by Phase 1 and further expand DMW's premium office offering within Aseana City. By sequencing the project in phases, DMW preserves flexibility in timing and execution while maintaining alignment with market demand.

Also part of the pipeline is Modaiio Flats, DMW's co-living concept designed to serve a new segment of urban residents. Modaiio Flats reflects the company's view that Aseana City's development as an integrated district should encompass a broader range of residential formats, particularly those tailored to entry-level professionals and mobile urban workers seeking proximity to employment, lifestyle amenities, and more affordable urban living options.

Across each project, DMW continues to apply rigorous market analysis and financial discipline. The company's low leverage and strong liquidity provide flexibility to advance growth while preserving balance sheet strength. More

importantly, the long runway embedded in DMW's Aseana City landbank allows it to calibrate the pace of development carefully, balancing opportunity with prudence.

Resilience Through Integrated Development

One of DMW's greatest strengths as it looks ahead is the inherent resilience of its city-development model. By design, Aseana City is a diversified urban ecosystem where offices, retail, residences, institutions, transport infrastructure, and public spaces support one another. This reduces reliance on any single segment and allows the estate to adapt more effectively to changing market conditions.

That resilience is particularly relevant in today's environment. As macro risks rise and property recovery becomes more uneven, the value of a well-capitalized, master-planned district becomes clearer. DMW is entering this period with a strong balance sheet, a high share of recurring revenues, and a pipeline that can be pursued with discipline rather than urgency.

DMW's outlook is not based on an assumption of a straight-line recovery. It is grounded in the company's confidence that resilient business design, thoughtful sequencing, and integrated city-building remain the best foundations for long-term value creation.

SUSTAINABILITY

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.

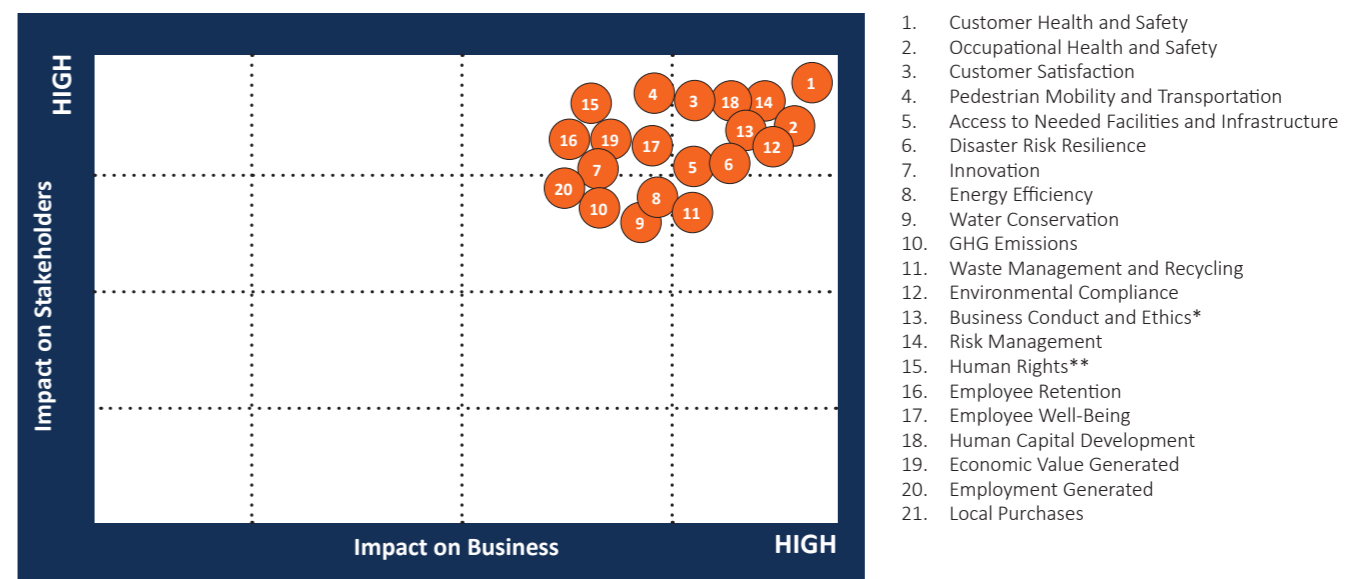
The process involved a multi-dimensional approach, including:

- 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
BROKERS		
<ul style="list-style-type: none"> • Broker's Day 	<ul style="list-style-type: none"> • Customer Experience • Timely Market Information 	<ul style="list-style-type: none"> • Quality product offers • Regular market updates • Transparent communication channels
CUSTOMERS		
<ul style="list-style-type: none"> • Press releases (regular) • Corporate sponsorships • Media placements • Distribution of collaterals • Open houses (monthly) • Corporate sponsorships (occasional) • Company hotlines 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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"> • Employee consultations (quarterly) • Extracurricular events/activities (occasional) • Training sessions (as planned) • New employee orientation 	<ul style="list-style-type: none"> • Health and safety • Work-life balance • Training and development • Human rights • Employee retention • Diversity, Equity, and Inclusion • Career Growth and Succession Planning • Employee Engagement and Satisfaction • Mental Health and Well-being 	<ul style="list-style-type: none"> • Employee Code of Conduct • Human Rights Commitment, Anti-Corruption Policy, Whistleblowing Policy • Social events • Employee engagement activities • Skills and competency development through training and seminars • Orientation and property tour • Hybrid work arrangements • Flexible working hours • DMW Employee Career Pathing • Mental Health Support Programs and Wellness Initiatives • Leadership Development and Succession Planning Frameworks • Maintained the Great Place to Work® Certification, a globally recognized benchmark for workplace excellence

ENGAGEMENT CHANNELS AND FREQUENCY	MATERIAL TOPICS	COMPANY'S RESPONSE
SHAREHOLDERS/INVESTORS		
<ul style="list-style-type: none"> • Stockholder meeting (annual) • Investor briefings (quarterly) • Non-deal roadshows (at least 2x/ year) • Investor conferences/ corporate access events (at least once a year) • One-on-one meetings, emails, and conference calls (regular) • Site tours (at least 4x/year) • Philippine Stock Exchange (regular) • Company website (regular) 	<ul style="list-style-type: none"> • Financial and operating performance • Effective risk management • Good governance • ESG related performance • Operational eco-efficiency (energy efficiency, waste management, water conservation, GHG emissions) • Business Continuity and Resilience 	<ul style="list-style-type: none"> • Submission of structured and unstructured continuing disclosures • Regular investor and analyst access to management through multiple communication channels and events • Annual participation in S&P Corporate Sustainability Assessment • Transparent Reporting on ESG Performance Metrics • Business Continuity Plans and Risk Mitigation Strategies
GOVERNMENT AND REGULATORY BODIES		
<ul style="list-style-type: none"> • Review of compliance requirements (as needed) • Alignment meetings 	<ul style="list-style-type: none"> • Environmental compliance • Compliance with other regulations • Economic value generated • Employment generated • Public Safety and Security • Infrastructure Development Support • Tax Compliance and Contributions 	<ul style="list-style-type: none"> • Acquisition of proper permits • Environmental Policy • Waste Management Policy • Monitoring of activities • Payment of appropriate taxes • Collaboration with Government for Public Safety Initiatives • Contributions to Local Infrastructure Development
BUSINESS PARTNERS AND SUPPLIERS		
<ul style="list-style-type: none"> • Contractual agreements • Alignment meetings 	<ul style="list-style-type: none"> • Compliance with contractual obligations • Work-site safety • Labor practices • Ethical Business Conduct (Corruption, Bribery, Data Privacy, Fair Dealing, Whistleblowing) • Fair Trade and Anti-Competitive Practices 	<ul style="list-style-type: none"> • Procurement through proper channels • Supplier Code of Conduct • Human Rights Commitment, Anti-Corruption Policy, Whistleblowing Policy, Data Privacy Policy • Regular Supplier Assessments and Audits • Promotion of Fair Trade Practices and Ethical Supply Chain Management
LOCAL COMMUNITIES		
<ul style="list-style-type: none"> • Nutrition assistance • Scholarship (annual) • Medical and funeral assistance (as needed) • Livelihood programs (as planned) 	<ul style="list-style-type: none"> • Programs intended for food, education, general welfare, and livelihood • Community Health and Safety • Environmental Protection and Conservation 	<ul style="list-style-type: none"> • Enforcement of the mission of the foundation • Health and Safety Initiatives in Collaboration with Local Authorities • Environmental Conservation Efforts, Including Tree-Planting and Coastal Clean-Up Activities • Livelihood Training Programs

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> <ul style="list-style-type: none"> Customer Health and Safety Customer Satisfaction Pedestrian Mobility and Transportation Access to Needed Facilities & Infrastructure Disaster Risk Resilience Innovation 	<p>Committing to environmental protection through sustainable resource management, energy efficiency, renewable energy integration, and climate resilience initiatives.</p> <ul style="list-style-type: none"> Environmental Compliance Energy Efficiency Water Conservation GHG Emissions Waste Management and Recycling 	<p>Upholding transparency, accountability, and integrity through robust corporate governance, anti-corruption measures, and ethical business conduct.</p> <ul style="list-style-type: none"> Business Conduct and Ethics (Corruption, Bribery, Data Privacy, Fair-Dealing) Risk Management 	<p>Fostering a diverse, inclusive, and engaged workforce by promoting employee well-being, professional growth, fair labor practices, and human rights adherence.</p> <ul style="list-style-type: none"> Human Rights (Child labor, forced labor, discrimination, harassment) Employee well-being Employee Retention Human Capital Development Occupational Health and Safety 	<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"> Economic value generated Employment generated Local purchases

Quality of Life	Environmental Stewardship	Good Governance and Ethical Business Practice	People-Centric Labor Practice	Economic Development
				
GRI 203: Indirect Economic Impacts	GRI 302: Energy GRI 303: Water and Effluents GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance	GRI 205: Anti-Corruption	GRI 202: Market Presence GRI 401: Employment GRI 403: Occupational Health & Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-Discrimination GRI 408: Child Labor GRI 409: Forced Labor	GRI 201: Economic Performance GRI 401: Employment

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"> Customer Health and Safety Customer Satisfaction Pedestrian Mobility and Transportation Access to Needed Facilities & Infrastructure Disaster Risk Resilience Innovation 	<ul style="list-style-type: none"> SDG 3: Good Health and Well-being SDG 9: Industry, Innovation, and Infrastructure SDG 11: Sustainable Cities and Communities SDG 13: Climate Action SDG 16: Peace, Justice, and Strong Institutions

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 Modaio 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 Modaio 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"> Environmental Compliance Energy Efficiency Water Conservation GHG Emissions Waste Management and Recycling 	<ul style="list-style-type: none"> SDG 6: Clean Water and Sanitation SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production SDG 13: Climate Action SDG 14: Life Below Water

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
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 m³ per square meter, remaining significantly below the 1.86 m³ 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 ³)	Total 2024 Consumption (m ³)	Total 2025 Consumption (m ³)	% 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 CO₂, 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 ₂)	GHG Emissions Scope 1 2024 (MT CO ₂)	GHG Emissions Scope 1 2025 (MT CO ₂)	% 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 ₂)	2024 (tonnes CO ₂)	2025 (tonnes CO ₂)	% 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

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 sq. m.	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 sq. m.	0.16 kg	0.13	0.05	-64.16%

*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 rainfall, and storm surges that may affect coastal developments	<p>Among the strategies in place to mitigate the potential impact of physical risks to climate change include:</p> <ul style="list-style-type: none"> 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. Master-planned flood mitigation infrastructure, STP upgrades, installation of discharge flowmeters. Continuous technical review of drainage and water management systems support long-term resilience. 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 Shading strategies and BERDE-aligned design standards mitigate heat stress impacts.
	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"> 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. Renewable-powered portfolio, BERDE-aligned developments such as Parqal, and planned BERDE District Registration for Aseana City strengthen market positioning and sustainability credentials. Ongoing system upgrades, solar panel exploration, energy monitoring, and integration of sustainability criteria into asset planning reduce retrofit risks and future obsolescence. Retrofitting of building equipment (E.g., LED lights) 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.
	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	

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"> 100% renewable electricity supply agreements and RAP participation materially lowered Scope 2 emissions and reduced exposure to fossil-fuel price volatility. Retail electricity supply agreements initiated in 1Q2025 and RAP enrollment in 4Q2025 resulted in full renewable coverage by year-end. 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. New buildings have energy efficient features including LED lights, variable refrigerant flow air-conditioning, and double-glazed curtain walls, among others. Retrofitting of building equipment
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"> 100% renewable electricity supply agreements and RAP participation materially lowered Scope 2 emissions and reduced exposure to fossil-fuel price volatility. Retail electricity supply agreements initiated in 1Q2025 and RAP enrollment in 4Q2025 resulted in full renewable coverage by year-end. Actively engaged in discussions with various vendors for the installation of solar panels in select Aseana City buildings.
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"> 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 Integrated resilience infrastructure, pedestrian mobility systems, water efficiency controls, and planned BERDE District certification embed sustainability at the district level.
Markets	Capital markets are starting to assign a premium on sustainable products	<ul style="list-style-type: none"> BERDE District Registration targeted Stage 1 certification in 4Q2026 integrate energy, water, land use, and mobility planning into the estate master plan. Launched electric vehicle (EV) charging stations at Parqal, providing convenient charging options for EV users.
Resilience	Climate change and disaster risk-resilient buildings may command a premium in the future.	<ul style="list-style-type: none"> 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. Master-planned flood mitigation infrastructure, STP upgrades, installation of discharge flowmeters. Continuous technical review of drainage and water management systems support long-term resilience. 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 Shading strategies and BERDE-aligned design standards mitigate heat stress impacts.

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"> Business Conduct and Ethics (Corruption, Bribery, Data Privacy, Fair-Dealing) Risk Management 	<ul style="list-style-type: none"> SDG 16: Peace, Justice, and Strong Institutions

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"> Human Rights (Child labor, forced labor, discrimination, harassment) Employee Retention Employee Well-being Health and Safety (Occupational) Human Capital Development 	<ul style="list-style-type: none"> SDG 1: No Poverty SDG 3: Good Health and Well-being SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth SDG 10: Reduced Inequalities

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
Total	278	200	478

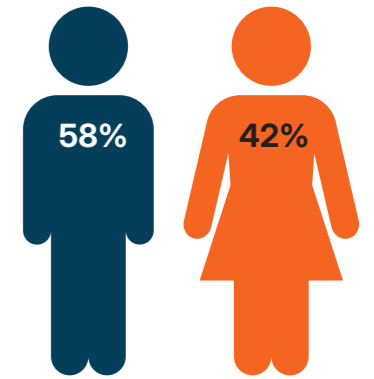


Table 27. Employee Breakdown by Age and Gender

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
Total	278	200	478

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 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%

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

Program	Topics and Skills
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 IEEE 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"> Economic value generated Employment generated Local purchases 	<ul style="list-style-type: none"> SDG 1: No Poverty SDG 8: Decent Work and Economic Growth

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 ₱3.8 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 ₱456 million, underscoring DMW’s continued role as a significant revenue contributor at the local and national levels. Payments to suppliers rose to ₱3.5 billion, supporting contractors, service providers, and partner enterprises across the value chain. Investments in community infrastructure and programs reached approximately ₱332 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)	₱4,098,961,536.00	₱3,695,722,975.00	₱3,815,832,004.76	3.25%
Direct economic value distributed:				
Operating costs	₱1,758,647,089.00	₱1,183,757,309.80	₱1,222,548,217.57	3.28%
Employee wages & benefits	₱193,422,620.00	₱210,823,805.21	₱238,469,467.51	13.11%
Payments to suppliers and other operating costs	₱3,468,867,348.18	₱2,793,441,657.66	₱3,291,574,517.78	5.75%
Dividends to stockholders and interest payments to loan providers	₱268,047,072.00	₱441,802,546.27	₱466,452,367.57	5.58%
Taxes given to government	₱388,658,216.00	₱508,660,226.26	₱455,988,682.55	-10.35%
Community investments (e.g., donations, CSR)	₱224,300,821.00	₱284,318,695.46	₱332,212,929.90	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%	18%
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)	₱4,098,961,536.00	₱3,695,722,975.00	₱3,815,832,004.76	3.25%
Direct economic value distributed:				
Operating costs	₱1,758,647,089.00	₱1,183,757,309.80	₱1,222,548,217.57	3.28%
Employee wages & benefits	₱193,422,620.00	₱210,823,805.21	₱238,469,467.51	13.11%
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Dividends to stockholders and interest payments to loan providers	₱268,047,072.00	₱441,802,546.27	₱466,452,367.57	5.58%
Taxes given to government	₱388,658,216.00	₱508,660,226.26	₱455,988,682.55	-10.35%
Community investments (e.g., donations, CSR)	₱224,300,821.00	₱284,318,695.46	₱332,212,929.90	16.85%
Climate-Related Risks and Opportunities¹				
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
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				

¹ Refer to discussion in [Climate Disclosures](#) section

Economic Disclosures	2023	2024	2025	Latest YOY change
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 ³	242,122 m ³	247,137.00 m³	2.07%
Water withdrawal	155,403 m ³	242,122 m ³	247,137.00 m³	2.07%
Water recycled and reused	0 m ³	0 m ³	0 m³	No Change
Materials Used				
Renewable				
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%

Environmental disclosures	2023	2024	2025	Latest YOY change
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 CO ₂	975.1 MT CO ₂	839.83 MT CO₂	-13.87%
Indirect (Scope 2) GHG Emissions	1,319 MT CO ₂	1,796 MT CO ₂	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 ³	242,122 m ³	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
Employee Training and Development				
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%

Social disclosures	2023	2024	2025	Latest YOY change
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, Engineering, or Mathematics) positions	79	108	124	14.81%
Female employees in sales	15	12	13	8.33%
Average amount spent for training per employee	₱5,334/ employee	₱4,279/ employee	₱5,533/ 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):²				
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 performance, forced labor, child labor, human rights, bribery and corruption	Y	Y	Y	N/A

Social disclosures	2023	2024	2025	Latest YOY change
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
Estate Development Commercial Building Leasing Land Leasing Residential Development Land Sales Construction		

ESG RATING

ESG Assessment	Rating
S&P Global Corporate Sustainability Assessment (CSA)	86th Percentile Rank or Top 14% Among a global universe of S&P-assessed real estate companies as of Feb 2026

Corporate GOVERNANCE

At D.M. Wenceslao & Associates Inc., we put good governance at the center of how we conduct our business. We recognize and affirm that good corporate governance is a necessary component of what constitutes sound strategic business management. As such, we have adopted the Company's Revised Manual on Corporate Governance in 2019, pursuant to the New Code on Corporate Governance for Publicly Listed Companies issued by the Securities and Exchange Commission (SEC) in compliance with 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 our Board of Directors, officers, executives and employees strive to achieve the Company's strategic objectives, create value for all its stakeholders, and sustain its long-term viability. Our 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.

The Board of Directors

Compliance with the principles of good corporate governance starts with the Board of Directors. Our Board of Directors is primarily responsible for the governance of D.M. Wenceslao. Corollary to setting the strategies and policies to accomplish the corporate objectives, our Board provides an independent check on our management team, and reviews and comments on the strategic directions identified by the latter. It is also its responsibility to foster the long-term success of our Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of our stockholders. To ensure a high standard of best practice for our Company and, our stockholders, the Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities.

Board Meeting Attendance 2025

NAME	NO. OF MEETINGS ATTENDED/HELD	PERCENT PRESENT
Sylvia C. Wenceslao	5/5	100%
Delfin Angelo C. Wenceslao	5/5	100%
Paolo Vincent C. Wenceslao	5/5	100%
Carlos Delfin C. Wenceslao	5/5	100%
Edwin Michael C. Wenceslao	5/5	100%
Oscar S. Reyes ¹ (Deceased)	2/5	40%
Alberto P. Fenix, Jr.	5/5	100%

¹ Passed away on October 03, 2025.

Executive Committee

Our Executive Committee acts on specific Executive 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.

Sylvia C. Wenceslao ²	Chairman
Delfin Angelo C. Wenceslao	Member
Paolo Vincent C. Wenceslao	Member

Audit and Risk Committee

Our 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.

Oscar S. Reyes (Deceased)	Chairman
Sylvia C. Wenceslao ³	Member
Alberto P. Fenix Jr.	Member

² Sylvia C. Wenceslao assumed as Chairman of Executive Committee on November 11, 2021.

³ Sylvia C. Wenceslao assumed as Member of the Audit and Risk Committee on November 11, 2021.

Compensation and Remuneration Committee

Our 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 our Group successfully.

Paolo Vincent C. Wenceslao	Chairman
Oscar S. Reyes (Deceased)	Member
Edwin Michael C. Wenceslao	Member

Nomination and Election Committee

Our Nomination and Election Committee is responsible for providing our 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.

Sylvia C. Wenceslao ⁴	Chairman
Alberto P. Fenix, Jr.	Member
Carlos Delfin C. Wenceslao	Member

Enterprise Risk Management

We recognize that risk management is an integral part of sound management practice and good corporate governance as it guides decision-making, improves results, and strengthens accountability. As a result, we established a sound risk management practice through the institutionalization of our Enterprise Risk Management Manual. Our Risk Manual provides a systematic and structured framework in which material risks are identified and addressed in a way that:

- gives reasonable assurance that the use of the valuable organizational resources is being effectively prioritized.
- results to practical, effective, and accountable actions and decisions, reasonable in relation to the conditions within which the Company operates.

⁴ Sylvia C. Wenceslao assumed office as Chairman of Nomination and Election Committee on November 11, 2021.

Statement of Policy

The board of directors, management, officers and staff of D.M. Wenceslao are committed to the effective management of risk by integrating risk management practice into all of our business processes and operations. It is our policy to adopt best practices in the identification, analysis, evaluation, communication, and cost-effective management of material risks to ensure the attainment of our corporate vision and mission.

The Risk Management Process

Identifying Risk. We identify the internal and external risks that impact the performance of strategy and business objectives. When identifying the risks, we also consider the environmental, social, and governance (ESG)-related factors that could affect the Company's ability to achieve its strategy or objectives. The identification process may include surveys, workshops and interviews with risk owners and executives to confirm existing risks or understand new or emerging risks.

Assessing and Prioritizing Risk. After the identification of risks, we assess the impact and likelihood of each risk using a defined impact criteria and likelihood criteria. Once the risks are assessed, we determine the "top 10 risks" of the company using a 25-box Risk Heat Map to depict the prioritization of its most critical risks according to the impact and likelihood. Risk assessment shall be done continuously and throughout the Company.

Responding to Risk. Once the "top 10 risks" are identified, we select and deploy an appropriate risk response, which may be to avoid, transfer, reduce, accept, or exploit the risk.

Monitoring the Risk. We continuously monitor the risks and effectiveness of the implementation of the strategies and action plans, as well as the effectiveness of the Company's ERM framework. As the ERM process is not a one-time or static activity, we assess the effectiveness of the ERM process through regular feedback and assessment with the management and other stakeholders.





DR. SYLVIA C. WENCESLAO
Chairperson

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.

Board of
DIRECTORS



EDWIN MICHAEL C. WENCESLAO
Director and Vice President for Treasury

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., BAHl 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.



OSCAR S. REYES
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 served as 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., and Bank of the Philippine Islands.

Passed away on October 03, 2025

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.





BENIGNO TATUNAY, CPA
Chief Finance Officer

Mr. Benigno Tatunay is the Chief Finance Officer of the Company. He is Certified Public Accountant (CPA) and a licensed real estate broker. He is a seasoned Finance Executive with over two decades of experience in the real estate industry. Prior to joining the Company, Mr. Tatunay served as the Chief Finance Officer 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, where he graduated Magna Cum Laude. He earned his Master in Business Administration from De La Salle University, where he graduated 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 Company 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 inhouse working experience prior to joining the Company.

Atty. Quinto completed his Political Science and Law degrees from the University of the Philippines and is a member of the Integrated Bar of the Philippines.



JEFFREY LUCERO
Investor Relations Officer

Mr. Jeffrey Lucero is the Investor Relations Officer of the Company. Prior to joining the Company, 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. He is a Global Reporting Initiative (GRI) Certified Sustainability Professional.

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



Financial
STATEMENTS

Senior
MANAGEMENT

**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

DEBIN ANGELO C. WENCESLAO
Chief Executive Officer

BENIGNO A. TATUNAY
Chief Financial Officer

Signed this 12th day of March 2026

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

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Report of Independent Auditors

The Board of Directors and Stockholders
D.M. Wenceslao & Associates, Incorporated and Subsidiaries
(A Subsidiary of Wendel Holdings Co., Inc.)

15th 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.

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.
Offices in Cavite, Cebu, Davao
BOA/ PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002

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ISO 9001 – 2015 CERTIFIED



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

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)

- 2 -

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

<u>LIABILITIES AND EQUITY</u>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES			
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		102,805,410	128,173,814
Total Current Liabilities		<u>7,934,882,009</u>	<u>7,882,670,024</u>
NON-CURRENT LIABILITIES			
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	40,522,715	44,296,084
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>
EQUITY			
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		25,739,492,538	24,198,354,778
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>
TOTAL LIABILITIES AND EQUITY		<u>P 55,073,515,166</u>	<u>P 53,740,987,979</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)

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

See Notes to Consolidated Financial Statements.

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

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)

	Attributable to Shareholders of the Parent Company						Total Equity
	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Other Reserves	Unappropriated Retained Earnings	Appropriated Retained Earnings	
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
Cash dividend declared	-	-	-	-	(322,607,090)	-	(322,607,090)
Appropriations of retained earnings	-	-	-	-	(3,000,000,000)	3,000,000,000	-
Net profit for the year	-	-	2,569,573	-	1,863,744,850	-	1,863,744,850
Other comprehensive income for the year	-	-	-	-	-	-	2,569,573
	P 3,395,864,100	P 6,964,649,807	(P 46,429,607)	(P 275,974,845)	P 21,539,492,538	P 4,200,000,000	P 35,777,601,993
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
Effect of adoption of interpretations affecting real estate	-	-	-	-	(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
Cash dividend declared	-	-	-	-	(268,176,532)	-	(268,176,532)
Net profit for the year	-	-	-	-	2,080,197,087	-	2,080,197,087
Other comprehensive loss for the year	-	-	2,260,210	-	-	-	2,260,210
	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
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
Cash dividend declared	-	-	-	-	(254,600,089)	-	(254,600,089)
Effect of consolidation of a subsidiary	-	-	-	-	7,301,008,039	-	7,301,008,039
Net profit for the year	-	-	-	-	-	-	28,465,169
Other comprehensive income for the year	-	-	(12,980,780)	-	-	-	(12,980,780)
	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

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
CASH FLOWS FROM OPERATING ACTIVITIES		P 2,444,141,549	P 2,666,607,561	P 7,848,716,299
Profit before tax				
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
CASH FLOWS FROM INVESTING ACTIVITIES				
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)	(1,260,101,352)
CASH FLOWS FROM FINANCING ACTIVITIES				
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)
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		9,809,908	64,098	(64,492)
Effect of Consolidation of a Subsidiary		-	-	64,869,210
NET DECREASE IN CASH AND CASH EQUIVALENTS		(59,804,109)	(223,614,132)	(739,205,342)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,631,655,073	4,855,269,205	5,594,474,547
CASH AND CASH EQUIVALENTS AT END OF YEAR		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. Asean 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, 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.

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
Subsidiaries:			
Direct:			
Aseana Residential Holdings Corp. (ARHC)	(a)	100.00%	100.00%
Aseana Holdings, Inc. (AHI)	(b)	99.98%	99.98%
Fabricom, Inc. (FI)	(c)	99.98%	99.98%
Fabricom Realty Development Corporation (FRDC)	(d)	62.20%	62.20%
R-1 Consortium, Inc. (R-1)	(e)	55.45%	55.45%
Alphaland Bay City Corporation (ABCC)	(f)	100.00%	100.00%
Bay Resources and Development Corporation (BRADCO)	(x)	51.00%	51.00%
Aseana Water Services Management Inc. (AWSMI)	(z)	98.81%	75.00%
Direct and Indirect:			
Portal Holdings, Inc. (PHI)	(g)	100.00%	100.00%
Mandaue Land Consortium, Inc. (MLCI)	(h)	81.00%	81.00%
Aseana I.T. Plaza, Inc. (AITPI)	(i)	66.97%	66.97%
SHLP BBP Realty, Inc. (SBRI)	(j)	55.96%	55.96%
Aseana Ground Floor Holdings Corp. (AGFHC)	(k)	82.50%	82.50%
Indirect:			
58 Jupiter Inc. (formerly Reine, Inc.) (58 Jupiter) - Accounted for as Asset Acquisition	(l)	100.00%	100.00%
L&B Development Corporation (LBDC) - Accounted for as Asset Acquisition	(m)	100.00%	100.00%
Boracay International Airport & Dev't Corp. (BIADC)	(n)	99.98%	99.98%
U-City Technologies Philippines, Inc. (UCTPI)	(o)	99.98%	99.98%
Aseana City Transport & Travel Corp. (ACTTC)	(p)	99.98%	99.98%
Aseana Gas Energy Corp. (AGEC)	(q)	99.98%	99.98%
Aseana Real Estate Services Management Corp. (ARESM)	(r)	95.98%	95.98%
Bay Area Holdings, Inc. (BAHI)	(s)	59.98%	59.98%
Aseana Resi Rent Corp. (ARRC)	(t)	100.00%	100.00%
Gallio Events, Inc. (GEI)	(y)	99.99%	99.99%
Associates:			
Alphaland Heavy Equipment, Corp. (AHEC)	(u)	50.00%	50.00%
European Resources and Technology, Inc. (ERTI)	(v)	42.00%	42.00%
Aseana CL, Beach and Marina Development Corporation (ACBMDC)	(w)	36.00%	36.00%

Notes:

(a) Established to purchase, acquire and own, hold, use, assign, transfer, mortgage, pledge, exchange or otherwise dispose of, subject to limitations imposed by law, real and personal property, including but not limited to, land, buildings, condominiums, shares of stock, bonds and other securities.

- (b) Established to engage in the business of owning, holding, exchanging, or otherwise disposing such items as real and personal properties, and securities such as stocks, bonds and to take part and assist in any legal matter for the purchase and sale of any securities as may be allowed by law without acting as or engaging in the business of an investment house, mutual fund or broker or dealer in securities.
- (c) Established to engage in the business of importation and marketing of heavy equipment, industrial equipment or any commercial products, which may be the object of commerce for the attainment of corporate objectives. As more fully discussed in Note 28.4, the increase in the Parent Company's effective percentage ownership in FI and 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)]. AGFHC 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, AGEC, 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).

(h) 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.

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

^(a) 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.

^(b) 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.

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

(Amounts in thousands PPHP)

	2025	2024
Assets		
Segment assets	62,069,027	60,950,392
Deferred tax assets - net	776	776
Other unallocated assets ^(d)	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>
Liabilities		
Segment liabilities	17,398,822	17,893,085
Deferred tax liabilities - net	1,401,358	1,330,989
Other unallocated liabilities ^(d)	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>

^(d) 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.

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

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

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

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>	0-30 days	31-60 days	61-90 days	Over 90 days	Total
December 31, 2025					
<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
December 31, 2024					
<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>	December 31, 2025		December 31, 2024	
	Trade and other receivables*	Advances to related parties	Trade and other receivables*	Advances to related parties
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	42,992,315	23,243,275	42,992,315	18,870,805

*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:

(Amounts in PHP)	Notes	Current		Non-current
		Upon Demand/ Within 6 months	6 to 12 Months	1 to 5 Years
December 31, 2025				
Loans and borrowings	18	335,830,532	488,941,656	2,517,479,507
Trade and other payables (except tax liabilities)	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	-
		4,897,977,357	1,692,882,591	2,924,955,227
December 31, 2024				
Loans and borrowings	18	106,715,005	334,764,647	2,816,473,340
Trade and other payables (except tax liabilities)	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	-
		4,740,430,202	1,882,537,521	3,301,241,323

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.

(Amounts in PHP)	Notes	2025		2024	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
<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
		14,176,935,856	14,176,935,856	13,279,411,735	13,279,411,735
<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
		14,228,774,836	14,228,774,836	13,331,858,983	13,331,858,983
Financial Liabilities					
<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
		9,895,194,418	9,829,933,303	10,056,821,268	9,920,400,633

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			
December 31, 2025		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			
December 31, 2025		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			
December 31, 2025		142,542,184	(142,542,184)	-
December 31, 2024		282,279,908	(282,279,908)	-
Security deposits:	9.1, 20			
December 31, 2025		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			
December 31, 2025		306,508,845	(306,508,845)	-
December 31, 2024		622,986,688	(622,986,688)	-
Loans and borrowings:	8, 18			
December 31, 2025		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.

		December 31, 2025			
(Amounts in PHP)	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
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
		<u>4,571,850,964</u>	<u>-</u>	<u>9,605,084,892</u>	<u>14,176,935,856</u>
Financial Liabilities					
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
		<u>-</u>	<u>-</u>	<u>9,829,933,303</u>	<u>9,829,933,303</u>
		December 31, 2024			
(Amounts in PHP)	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
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
		<u>4,631,655,073</u>	<u>-</u>	<u>8,647,756,662</u>	<u>13,279,411,735</u>
Financial Liabilities					
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
		<u>-</u>	<u>-</u>	<u>9,920,400,633</u>	<u>9,920,400,633</u>

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.

(Amounts in PHP)	Note	Level 1	Level 2	Level 3	Total
December 31, 2025					
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	<u>-</u>	<u>161,305,319,705</u>	<u>23,209,669,000</u>	<u>184,514,988,705</u>
December 31, 2024					
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	<u>-</u>	<u>154,557,444,889</u>	<u>20,969,438,462</u>	<u>175,526,883,351</u>

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	1,454,790,234	1,853,681,635
Short-term placements	3,117,060,730	2,777,973,438
	<u>4,571,850,964</u>	<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>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Current:			
Rental receivables	9.1	2,307,344,005	1,917,430,408
Advances to:	9.2		
Related parties	26.1	775,177,047	751,894,388
Suppliers		181,240,637	246,255,917
Officers and employees		14,366,008	14,661,436
Contract receivables	9.3, 26.5	559,680,500	544,111,224
Retention receivables	9.4	2,032,716	2,032,716
Others	8, 9.5, 12	27,131,680	18,994,478
		<u>3,866,972,593</u>	<u>3,495,380,567</u>
Allowance for impairment	5.2(b)	<u>(66,235,590)</u>	<u>(61,863,120)</u>
		3,800,737,003	3,433,517,447
Non-current –			
Rental receivables	9.1	5,944,942,897	5,393,722,489
		<u>9,745,679,900</u>	<u>8,827,239,936</u>

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	1,668,062,992	1,707,821,376
One Parq Suites	66,444,058	64,190,593
Rawland	795,662,588	795,662,588
	<u>2,530,169,638</u>	<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	1,706,603,706	107,941,425	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
	1,706,603,706	107,941,425	1,806,816,771	206,245,850
Interest arising from significant financing component	41,861,322	8,208,272	93,226,018	52,582,127
Increase as a result of changes in measurement of progress, net of collections	(107,233,605)	(51,758,853)	(193,439,083)	(150,886,552)
Balance at end of year	<u>1,641,231,423</u>	<u>64,390,844</u>	<u>1,706,603,706</u>	<u>107,941,425</u>

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

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

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>	2025	2024
Acquisition costs	<u>56,913,213</u>	<u>56,913,213</u>
Accumulated share in net losses:		
Balance at beginning of year	(8,592,928)	(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>48,110,183</u>	<u>48,320,285</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	2,000,000
Accumulated share in net income:	
Balance at beginning of year	77,844,766
Dividend received	(17,494,676)
Share in net income	11,296,893
Balance at end of year	71,646,983
Effect of consolidation of a subsidiary	(73,646,983)
	<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>5,613,607,817</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>Assets</u>	<u>Notes</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>

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 BAH I. Among these subsidiaries, only BRADCO and BAH I 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%

	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

	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 BAH I, before intragroup eliminations, is shown below. Further, dividends declared and paid to minority stockholders of BAH I is fully disclosed in Note 28.3.

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

(Amounts in PHP)	Revenues	Net Profit	Other Comprehensive Income (Loss)
2025			
BRADCO	71,203,925	41,193,191	-
BAHI	135,136,001	105,739,426	-
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.

	Land	Land Improvements	Leasehold Improvements	Machinery and Construction Equipment	Transportation Equipment	Furniture and Office Equipment	Other Equipment	Building and Improvements	Total
<i>(Amounts in P/PP)</i>									
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	9,291,800	8,722,296	8,048,212	15,150,511	15,209,227	65,371,660	2,356,451	177,739,830	301,889,987
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	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
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	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

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

	Land	Land Improvements	Leasehold Improvements	Machinery and Construction Equipment	Transportation Equipment	Furniture and Office Equipment	Other Equipment	Building and Improvements	Total
<i>(Amounts in P/PP)</i>									
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)	(59,554,419)
Balance at December 31, 2025,	9,291,800	8,722,296	8,048,212	15,150,511	15,209,227	65,371,660	2,356,451	177,739,830	301,889,987
net of accumulated depreciation and amortization									
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,	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
net of accumulated depreciation and amortization									
Balance at January 1, 2023,									
net of accumulated depreciation and amortization	9,291,800	33,3746	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,	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
net of accumulated depreciation and amortization									

The amount of depreciation and amortization is allocated as follows:

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

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

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>	Land	Building and Improvements	Condominium Units	Construction in Progress	Total
December 31, 2025					
Cost	12,223,020,856	10,824,651,592	25,228,650	317,847,076	23,390,748,174
Accumulated depreciation	-	(1,762,215,178)	(10,571,460)	-	(1,772,786,638)
Net carrying amount	12,223,020,856	9,062,436,414	14,657,190	317,847,076	21,617,961,536
December 31, 2024					
Cost	12,011,261,267	10,813,905,244	25,228,650	260,358,157	23,110,753,318
Accumulated depreciation	-	(1,427,397,959)	(9,562,314)	-	(1,436,960,273)
Net carrying amount	12,011,261,267	9,386,507,285	15,666,336	260,358,157	21,673,793,045
January 1, 2024					
Cost	11,808,751,998	9,667,120,799	25,228,650	492,798,052	21,993,899,499
Accumulated depreciation	-	(1,102,684,006)	(8,553,168)	-	(1,111,237,174)
Net carrying amount	11,808,751,998	8,564,436,793	16,675,482	492,798,052	20,882,662,325

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>	Land	Building and Improvements	Condominium Units	Construction in Progress	Total
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	12,223,020,856	9,062,436,414	14,657,190	317,847,076	21,617,961,536
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	12,011,261,267	9,386,507,285	15,666,336	260,358,157	21,673,793,045
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	11,808,751,998	8,564,436,793	16,675,482	492,798,052	20,882,662,325

The amount of depreciation is allocated as follows:

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

(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 as 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	(14,802,175)	(16,236,107)
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	514,749,025	520,075,323
	<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	530,284,884	525,731,881
Interest accretion	42,470,471	41,480,549
Lease payments	<u>(36,538,083)</u>	<u>(36,927,546)</u>
Balance at end of year	<u>536,217,272</u>	<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	39,785,639	10,209,561
1 to 2 years	40,551,587	39,785,639
2 to 3 years	41,881,289	40,551,587
3 to 4 years	42,685,617	41,881,289
4 to 5 years	43,975,748	44,353,605
More than 5 years	<u>1,105,163,747</u>	<u>1,180,217,979</u>
Balance at end of year	<u>1,314,043,627</u>	<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>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Advances to suppliers	9.2, 17.1	815,465,527	107,763,674
Project advances	29.6	120,275,187	120,275,187
Refundable deposits	17.4	68,772,458	81,434,079
Deposits for future investment	17.2	54,026,935	54,026,935
Financial assets at FVOCI	17.3	41,385,562	41,993,830
Others		<u>2,730,518</u>	<u>2,840,339</u>
		<u>1,102,656,187</u>	<u>408,334,044</u>
Allowance for impairment	29.6	<u>(120,275,187)</u>	<u>(120,275,187)</u>
		<u>982,381,000</u>	<u>288,058,857</u>

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>	Note	2025	2024
Balance at beginning of year		41,993,830	43,046,550
Unrealized fair value gains (losses)	28.2	<u>(608,268)</u>	<u>(1,052,720)</u>
Balance at end of year		<u>41,385,562</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>	2025	2024
Unquoted equity securities	37,284,562	38,946,550
Golf club shares	<u>4,101,000</u>	<u>3,047,280</u>
	<u>41,385,562</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>	2025	2024
Current	716,666,666	260,666,667
Non-current	<u>2,468,750,000</u>	<u>2,604,166,666</u>
	<u>3,185,416,666</u>	<u>2,864,833,333</u>

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>1,631,518,971</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	2,864,833,333	3,064,833,333
Additions	750,000,000	-
Repayments	(429,416,667)	(200,000,000)
Balance at end of year	<u>3,185,416,666</u>	<u>2,864,833,333</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	131,300,872	120,960,776	8,606,206
Borrowing cost capitalized as part investment properties	15	13,779,060	5,771,438	57,033,258
Borrowing cost capitalized as part property development cost	10	-	-	61,003,519
		<u>145,079,932</u>	<u>126,732,214</u>	<u>126,642,983</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		900,641,040	1,140,718,879
Deferred output VAT payable		672,515,130	757,262,940
Retention payable		576,230,232	559,484,629
Trade payables	26.7	359,605,473	447,926,708
Other payables		184,084,602	99,324,899
		<u>2,693,076,477</u>	<u>3,004,718,055</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	349,619,394	340,950,060	218,148,589
Real property tax		96,147,894	72,808,347	83,216,105
Utilities		90,713,249	72,853,573	49,970,145
Outside services		56,834,909	58,680,830	52,491,036
Repairs and maintenance		52,115,798	36,617,029	27,374,024
Rentals	26.3	39,838,901	12,115,244	1,636,812
Office supplies		29,168,563	32,229,439	14,765,776
Professional fees		12,672,702	10,738,455	11,603,690
Others		13,347,976	29,075,712	27,870,273
	23	<u>740,459,386</u>	<u>666,068,689</u>	<u>487,076,450</u>

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	69,726,835	90,806,296	451,005,888
Land cost	23	8,810,438	12,697,227	55,604,010
Others		4,190,266	7,930,110	71,128,671
	10.1, 23	<u>82,727,539</u>	<u>111,433,633</u>	<u>577,738,569</u>

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	2025	2024	2023
Construction materials		524,363	728,571	95,574,149
Subcontracted services	26.7	42,054	2,737,937	7,490,546
Depreciation and amortization	14	-	-	965,290
Gasoline and oil		-	-	461,515
	23	<u>566,417</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	2025	2024	2023
Interest expense:				
Bank loans	18	131,300,872	120,960,776	8,606,206
Lease liabilities	16.2	42,470,471	41,480,549	41,186,668
Amortization of discount on security deposits	20	9,873,632	3,263,883	6,652,725
Significant financing component	10.2	8,208,272	52,582,127	-
Retirement benefit obligation	24.2	2,760,207	2,567,606	1,945,812
Foreign currency loss		-	-	64,492
Fair value loss on financial assets at FVTPL		-	-	1,516,500
Others		234,874	134,702	36,022
		<u>194,848,328</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	2025	2024	2023
Interest income	8	177,752,876	145,369,038	145,115,337
Significant financing component	10.2	41,861,322	93,226,018	-
Foreign currency gain		9,809,908	64,098	-
Fair value gain on financial assets at FVTPL	12	-	676,500	-
		<u>229,424,106</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
		<u>155,938,076</u>	<u>461,305,052</u>	<u>118,994,183</u>

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
		<u>1,562,149,165</u>	<u>1,510,121,185</u>	<u>2,082,100,060</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.

These expenses are classified in the consolidated statements of profit or loss as follows:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Cost of rentals	21.1	740,459,386	666,068,689	487,076,450
Cost of sale of residential	10.1, 21.2	82,727,539	111,433,633	577,738,569
Cost of construction contracts	21.3	566,417	3,466,508	104,491,500
General and administrative expenses		690,555,240	655,183,757	788,442,192
Selling expenses		47,840,583	73,968,598	124,351,349
		<u>1,562,149,165</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>	Notes	2025	2024	2023
Salaries and employee benefits	24.1	238,469,468	210,823,804	193,422,620
Taxes and licenses		103,395,551	122,170,880	139,482,797
Representation and entertainment		53,600,995	38,004,502	57,102,279
Association dues		52,807,572	44,664,717	42,530,237
Depreciation and amortization	14, 15	40,175,640	66,553,487	63,192,194
Outside services		35,348,117	28,613,225	15,677,845
Corporate affairs		28,549,508	9,000,372	7,805,451
Professional fees		23,602,107	39,837,373	27,112,589
Bond and insurance		16,852,546	15,843,853	8,092,119
Office supplies		15,556,158	8,475,284	9,416,165
Utilities		11,156,557	17,863,944	14,530,313
Repairs and maintenance		8,627,894	5,202,420	3,060,440
Transportation and travel		7,193,087	6,516,349	5,110,884
Impairment loss		3,762,785	-	120,797,713
Others	16.3	51,457,255	41,613,547	81,108,546
		<u>690,555,240</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>	Notes	2025	2024	2023
Short-term employee benefits		232,673,863	205,721,231	190,448,579
Post-employment defined benefit	24.2	5,795,605	5,102,573	2,974,041
	23	<u>238,469,468</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>	2025	2024
Present value of the obligation	70,286,888	76,331,821
Fair value of plan assets	<u>(29,764,173)</u>	<u>(32,035,737)</u>
	<u>40,522,715</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>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Recognized in consolidated profit or loss:</i>				
Current service cost	24.1	5,795,605	5,102,573	2,974,041
Net interest expense	22.1	<u>2,760,207</u>	<u>2,567,606</u>	<u>1,945,812</u>
		<u>8,555,812</u>	<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		(19,102,084)	(3,887,357)	(5,706,014)
- remeasurement loss on plan assets		12,317,804	(617,455)	10,688,022
- changes in financial assumptions		<u>2,547,159</u>	<u>87,573</u>	<u>13,027,512</u>
	28.2	<u>(4,237,121)</u>	<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	6.48%	6.09%
Expected rate of salary increases	5.00%	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>	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2025			
Discount rate	+/- 1.0%	(8,253,886)	7,149,799
Salary growth rate	+/- 1.0%	8,289,260	(7,304,641)
December 31, 2024			
Discount rate	+/- 1.0%	(6,834,301)	5,880,442
Salary growth rate	+/- 1.0%	6,841,043	(5,990,425)

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>	2025	2024
Within one to five years	31,723,324	32,465,311
More than five to eleven years	60,414,126	27,588,514
	92,137,450	60,053,825

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%	354,857,199	393,120,156	258,608,470
Final tax at 20%, 15% and 7.5%	33,022,392	26,136,864	29,020,161
Minimum corporate			
income tax (MCIT) at 2% in 2025 and 2024 and 1.5% in 2023	<u>-</u>	<u>-</u>	<u>19,395</u>
	387,879,591	419,257,020	287,648,026
Deferred tax expense relating to origination and reversal of temporary differences	<u>131,096,211</u>	<u>124,337,711</u>	<u>231,595,065</u>
	518,975,802	543,594,731	519,243,091
<i>Reported in consolidated other comprehensive income (loss) -</i>			
Deferred tax expense (income) relating to remeasurement of retirement benefit obligation	<u>1,059,280</u>	<u>1,104,309</u>	<u>(4,502,380)</u>

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%	611,035,387	666,651,890	1,962,179,075
Adjustment for income subjected to lower tax rates	(15,661,942)	(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 during consolidation	6,982,442	9,194,377	4,078,860
Non-taxable income	(10,787,967)	(13,123,790)	(6,433,954)
Excess of optional standard deduction (OSD) over itemized deductions	(72,592,118)	(78,288,266)	(2,509,439)
Unrecognized deferred tax on net operating loss carryover (NOLCO) and other temporary differences	<u>-</u>	<u>-</u>	<u>149,399</u>
	518,975,802	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>	Profit or Loss			Other Comprehensive Income (Loss)		
	<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 avilment 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>2,957,145</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>14,157,533</u>	<u>(61,265)</u>	<u>(9,966,639)</u>	<u>4,129,629</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>40,220</u>	<u>-</u>	<u>(20,825)</u>	<u>19,395</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
Ultimate parent company:						
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
Associates -						
Cash advances granted	26.1	-	-	-	(7,664,070)	(7,559,525)
Joint venture:						
Cash advances granted (collected)	26.1	-	-	-	(37,583,941)	(37,583,941)
Construction contracts	26.5	-	-	-	-	(8,331,867)
Related parties under common ownership and management:						
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
Stockholders -						
Cash advances granted	26.1	110,192,483	109,539,670	652,813	352,322	7,548,885
Key management personnel -						
Compensation	26.8	-	-	67,613,880	56,656,640	61,430,660
Retirement fund						
	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>	2025	2024
Ultimate parent company	478,095,344	471,585,396
Related parties under common ownership and management	186,889,220	170,769,322
Stockholders	110,192,483	109,539,670
	775,177,047	751,894,388

The movements in the carrying amount of the advances to related parties in 2025 and 2024 are as follows:

<i>(Amounts in PHP)</i>	Ultimate parent company	Related parties under common ownership and management	Stockholders	Total
December 31, 2025				
Balance at beginning of year	471,585,396	170,769,322	109,539,670	751,894,388
Additions	6,509,948	16,119,898	652,813	23,282,658
Balance at end of year	478,095,344	186,889,220	110,192,483	775,177,047
December 31, 2024				
Balance at beginning of year	471,585,396	176,794,730	109,187,348	757,567,474
Additions	-	-	352,322	352,322
Collections	-	(6,025,408)	-	(6,025,408)
Balance at end of year	471,585,396	170,769,322	109,539,670	751,894,388

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>	Ultimate parent company	Related parties under common ownership and management	Total
December 31, 2025			
Balance at beginning of year	3,522,401,851	85,375,719	3,607,777,570
Advances paid	(83,268,640)	(2,886,742)	(86,155,382)
Balance at end of year	3,439,133,211	82,488,977	3,521,622,188

<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	<u>(296,366,061)</u>	<u>(133,577)</u>	<u>(296,499,638)</u>
Balance at end of year	<u>3,522,401,851</u>	<u>85,375,719</u>	<u>3,607,777,570</u>

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>	2025	2024	2023
Net profit attributable to the equity shareholders of the Parent Company	1,863,744,850	2,080,197,087	7,301,008,039
Divided by weighted average number of outstanding common shares	<u>3,395,864,100</u>	<u>3,395,864,100</u>	<u>3,395,864,100</u>
Basic and diluted earnings per share	<u>0.549</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>	Investment Properties	Retirement Benefit Obligation (see Notes 24.2 and 25)	Financial Assets at FVOCI (see Note 17.2)	Total
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	<u>19,047,893</u>	<u>(31,286,782)</u>	<u>(34,190,718)</u>	<u>(46,429,607)</u>
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	<u>19,047,893</u>	<u>(34,464,623)</u>	<u>(33,582,450)</u>	<u>(48,999,180)</u>
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	<u>19,047,893</u>	<u>(37,777,553)</u>	<u>(32,529,730)</u>	<u>(51,259,390)</u>

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	3,000	500	700
Reason of appropriation	Corporate expansion		
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	2025
2024	0.078971515	268,176,532	April 12, 2024	retained	2024
2023	0.074973580	254,600,089	April 12, 2023	earnings	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>	2025	2024	2023
Within one year	1,920,150,445	2,135,839,242	1,703,031,469
After one year but not more than two years	1,802,384,483	2,050,369,193	1,629,031,509
After two years but not more than three years	1,493,960,941	1,837,729,791	1,388,006,000
After three years but not more than four years	1,297,026,301	1,412,319,494	1,228,009,653
After four years but not more than five years	1,157,451,593	1,176,051,665	868,806,446
More than five years	39,357,956,260	41,383,911,270	37,581,416,622
	47,028,930,023	49,996,220,655	44,398,301,699

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>	Land and Land Development Costs (see Note 11)	Land under Investment Properties (see Note 15)	Total
December 31, 2025:			
Gross valuation	12,391,823,101	17,139,092,374	29,530,915,475
Estimated liability for land development costs	(546,782,481)	(4,916,071,518)	(5,462,853,999)
Net amounts	11,845,040,620	12,223,020,856	24,068,061,476
December 31, 2024:			
Gross valuation	12,391,823,101	17,139,092,374	29,530,915,475
Estimated liability for land development costs	(668,736,064)	(5,127,831,107)	(5,796,567,171)
Net amounts	11,723,087,037	12,011,261,267	23,734,348,304

The movements in the estimated land development costs are as follows:

<i>(Amounts in PHP)</i>	2025	2024
Balance at beginning of year	5,796,567,171	6,010,480,236
Development costs incurred during the year	(333,713,172)	(213,913,065)
Balance at end of year	5,462,853,999	5,796,567,171

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	2025	2024
Total loans and borrowings	18	3,185,416,666	2,864,833,333
Less: Cash and cash equivalents	8	<u>(4,571,850,964)</u>	<u>(4,631,655,073)</u>
Net loans and borrowings (a)		<u>(1,386,434,298)</u>	(1,766,821,740)
Total equity		<u>41,986,879,192</u>	<u>40,381,750,962</u>
Net loans and borrowings and equity (b)		<u>40,600,444,894</u>	<u>38,614,929,222</u>
Gearing ratio (a/b)		<u>-3%</u>	<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).

**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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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

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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
FINANCIAL ASSETS AT AMORTIZED COST				
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		85,454,443	85,454,443	-
		<u>14,176,935,858</u>	<u>14,176,935,858</u>	<u>145,562,103</u>
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Equity Securities				
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	-
Debt Security				
P1B Global Holdings PTE Ltd.	5,289,370	5,303,288	5,303,288	-
		<u>57,099,288</u>	<u>57,099,288</u>	<u>-</u>
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Equity Securities				
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	1,000	1,000	-
		<u>43,046,550</u>	<u>43,046,550</u>	<u>-</u>
GRAND TOTAL		P 14,277,081,696	P 14,277,081,696	P 145,562,103

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	
Amounts Receivable from Related Parties							
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
TOTAL	P 757,919,796	P 17,257,251	P -	P -	P 775,177,047	P -	P 775,177,047

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	

Amounts Receivable from Related Parties Eliminated During Consolidation:

Aseana 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
Aseana 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
Aseana 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
Aseana 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
Aseana Real Estate Services & Management Corp	1,023,408	271,102	-	-	1,294,510	-	1,294,510
Aseana 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
	P 3,295,705,757	P 232,614,798	P 492,629,178	P 4,722,656	P 324,156,580	P 2,706,812,141	P 3,030,968,721

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
 SEC Released Revised SRC Rule 68
 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		125,000,000	968,750,000
TOTAL		P 716,666,666	P 2,468,750,000

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
 SEC Released Revised SRC Rule 68
 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
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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
 Annex 68-J
 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
 15th Floor, Aseana 3
 D. Macapagal Blvd. corner Aseana Ave., Aseana City, Parañaque City
 Reconciliation of Retained Earnings Available for Dividend Declaration
 As of and for the year ended December 31, 2025

Unappropriated Retained Earnings at Beginning of Year		P 12,241,845,048
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(322,607,090)	
Retained Earnings appropriated during the reporting year	(3,000,000,000)	
Effect of restatements or prior-period adjustments	-	
Others	-	(3,322,607,090)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		8,919,237,958
Add: Net Income for the Current Year		870,345,587
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	(624,062,000)	
Sub-total	-	(624,062,000)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total	-	-
Balance carried forward		
Adjusted Net Income		P 9,165,521,545

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 -

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

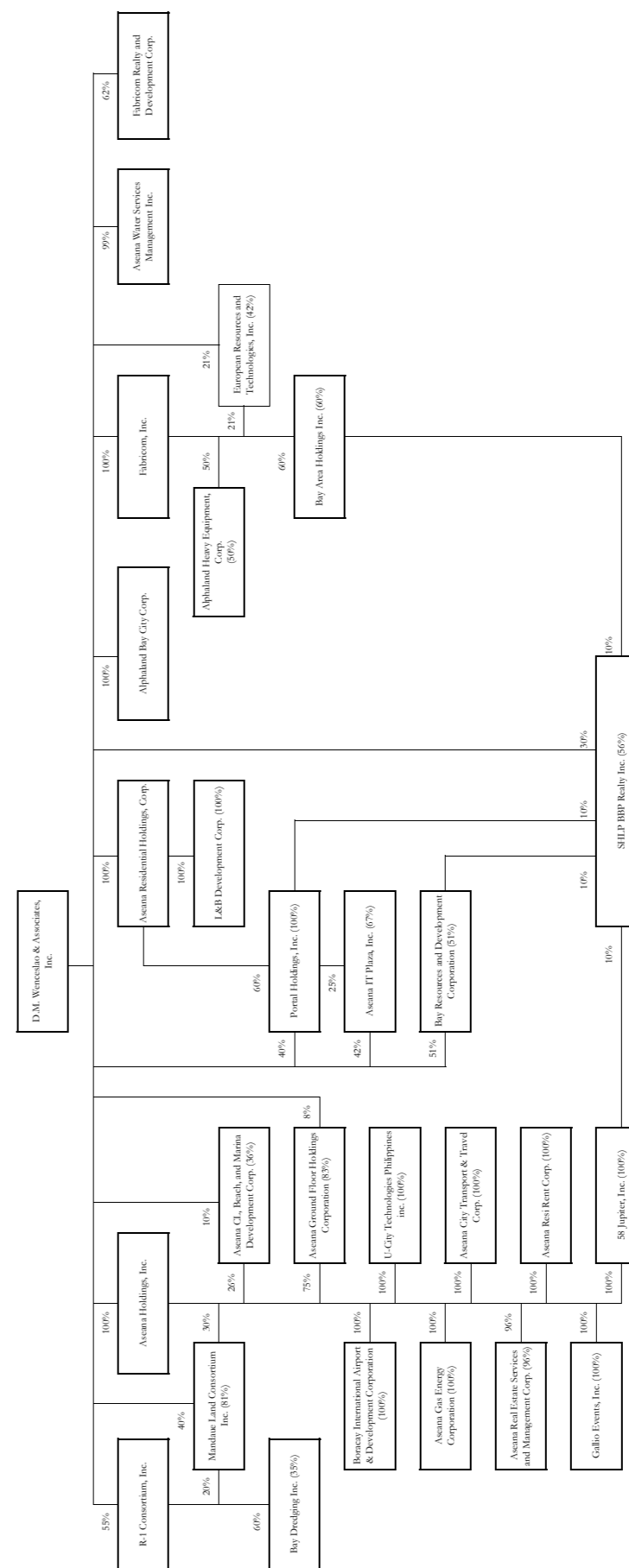
Amortization of the effect of reporting relief -
 Total amount of reporting relief granted during the year -
 Others -
 Sub-total -

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

Net movement of (except for reacquisition of redeemable shares) -
 Net movement of deferred tax asset not considered in the reconciling items under the previous categories -
 Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset set-up of service concession -
 asset and concession payable -
 Adjustment due to deviation from PFRS/GAAP - gain (loss) (32,750,118)
 Others (32,750,118)
 Sub-total (32,750,118)

Unappropriated Retained Earnings Available for Dividend Distribution at End of Year **P 9,132,771,427**

- 10 -
D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
 SEC. Reported Revised SRC. Rule 68
 Annex 68f
 15th floor, Aseana 3 D, Macapagal Blvd., corner Aseana Ave., Aseana City, Paranaque City
 December 31, 2025



D. M. WENCESLAO & ASSOCIATES, INCORPORATED
 15th 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		3.25	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		1.06	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		4.21	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		0.08	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		1.31	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		12.54	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	41,184,315,077			Return on Equity	39,535,973,403	
	Return on Equity	<u>0.05</u>			Return on Equity	<u>0.05</u>	
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	54,407,252,073			Return on Equity	53,046,067,831	
	Return on Equity	<u>0.04</u>			Return on Equity	<u>0.04</u>	
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	
	Total Revenue	3,815,832,005			Total Revenue	3,695,722,975	
	Net Profit Margin	<u>0.50</u>			Net Profit Margin	<u>0.57</u>	
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	
	Total Assets	55,073,515,166			Total Assets	53,740,987,979	
	Debt Ratio	<u>0.06</u>			Debt Ratio	<u>0.05</u>	
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	
	Total Revenue	3,815,832,005			Total Revenue	3,695,722,975	
	Gross Profit Margin	<u>0.78</u>			Gross Profit Margin	<u>0.79</u>	

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

Audit and Non-audit fees of the Parent Company	<u>2025</u>	<u>2024</u>
Total Audit Fees	P 1,027,950	P 979,000
Non-audit service fees:		
Other assurance service	-	500,000
Tax service	-	-
All other service	-	-
Total Non-Audit Fees	<u>-</u>	<u>500,000</u>
Total Audit and Non-audit Fees	<u>P 1,027,950</u>	<u>P 1,479,000</u>

Audit and Non-audit fees of other related entities	<u>2025</u>	<u>2024</u>
Audit fees	P 3,347,085	P 3,168,538
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of other related entities	<u>P 3,347,085</u>	<u>P 3,168,538</u>



Corporate INFORMATION

Our common shares are traded on the Philippine Stock Exchange under the stock ticker symbol DMW.

Investor Relations Office

D.M. Wenceslao & Associates, Incorporated
 15th Floor, Aseana 3 Building,
 Pres. D. Macapagal Boulevard corner Asean Avenue,
 Parañaque City, Metro Manila, Philippines
 Tel: +632 8854 5711
 Email: iro@dmwai.com

For inquiries about dividend payments, or to report a change of address or lost stock certificate, or to request account information changes, please contact our stock transfer agent:

RCBC Stock Transfer Processing Section

G/F Grepalife Bldg., 219 Sen. Gil Puyat Ave., Makati City, Metro Manila
 Tel: +632 8894 9000
 locals 3690, 3691, 3693, 3694
 Fax: +632 8892 3139
 Email: rcbstocktransfer@rcbc.com

Concept and Design: D.M. Wenceslao & Associates, Incorporated, Raymund M. Vicente, and Cybele Aimee J. Manlapaz
 Portraiture: Shift Studios
 Architectural Photography: AEDAS, Ed Simon
 Printer: Primex Printers

**M
D
W** **D.M. WENCESLAO**
AND ASSOCIATES, INCORPORATED

15th Floor Aseana 3

Pres. D. Macapagal Boulevard corner Asean Avenue,
Aseana City, Parañaque City, Philippines

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