COVER SHEET

SEC Registration Number

2 6 9 8 6

Company Name

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

I N C O R P O R A T E D

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

1 5 F A S E A N A 3 D . M A C A P A G A L B L V D .

C O R . A S E A N A V E . , A S E A N A C I T Y ,

P A R A N A Q U E C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
1 7 - Q		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@dmwai.com	8854 - 5711	0917-622-4285

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
30		June 30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
BENIGNO A. TATUNAY	info@dmwai.com	8854 - 5711	0917-622-4285

Contact Person's Address

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2026**

2. Commission identification number **26986**

3. BIR Tax Identification No **000-846-618-000**

4. Exact name of issuer as specified in its charter **D.M. Wenceslao & Associates, Incorporated**

5. Province, country or other jurisdiction of incorporation or organization **Philippines**

6. Industry Classification Code: ______ (SEC Use Only)

7. Address of issuer's principal office and postal Code
15th Floor, Aseana 3, D. Macapagal Blvd. corner Asean Ave., Aseana City, Paranaque City

8. Issuer's telephone number, including area code: **(632) 8854-5711**

9. Former name, former address and former fiscal year, if changed since last report: **Not applicable**

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

As of June 30, 2026

Title of each class	Number of shares issued and outstanding and amount of debt outstanding
Capital Stock, P1 par value	3,395,864,100

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

Yes [x] No [ ]

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

Stock Exchange: **Philippine Stock Exchange**
Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

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

Yes [x] No [ ]

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

Yes [x] No [ ]

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND DECEMBER 31, 2025
(Amounts in Philippine Pesos)

	Notes		**June 30, 2026 (UNAUDITED)**		December 31, 2025 (AUDITED)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	**P**	**4,175,311,694**	P	4,571,850,964
Receivables - net	8		**3,816,867,705**		3,800,737,003
Contract asset			**1,344,286,771**		1,641,231,423
Land and land development costs	10		**11,922,756,059**		11,842,953,967
Property development costs	9		**2,639,854,398**		2,530,169,638
Other current assets	11		**1,324,146,736**		1,363,099,763
Total Current Assets			**25,223,223,363**		25,750,042,758
NON-CURRENT ASSETS					
Receivables	8		**6,246,780,837**		5,944,942,897
Investments in associates and joint venture	12		**47,888,351**		48,110,183
Property and equipment - net	13		**283,282,909**		301,889,987
Investment properties - net	14		**22,100,315,489**		22,045,372,411
Deferred tax assets			**3,945,781**		775,930
Other non-current assets	16		**906,257,344**		982,381,000
Total Non-current Assets			**29,588,470,711**		29,323,472,408
TOTAL ASSETS		**P**	**54,811,694,074**	P	55,073,515,166

	Notes	June 30, 2026 (UNAUDITED)	December 31, 2025 (AUDITED)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Loans and borrowings	17	**P 414,583,333**	P 716,666,666
Trade and other payables	18	**2,436,448,745**	2,693,076,477
Contract liability		**24,930,437**	64,390,844
Advances from related parties	23	**3,523,328,714**	3,521,622,188
Deposits and advances	19	**554,348,815**	814,852,177
Lease liabilities	15	**19,747,774**	21,468,247
Income tax payable		**50,264,429**	102,805,410
Total Current Liabilities		**7,023,652,247**	7,934,882,009
NON-CURRENT LIABILITIES			
Loans and borrowings	17	**2,468,750,000**	2,468,750,000
Deposits and advances	19	**760,326,018**	726,373,847
Deferred tax liabilities - net		**1,456,436,693**	1,401,358,378
Lease liabilities	15	**505,534,065**	514,749,025
Retirement benefit obligation - net		**58,732,776**	40,522,715
Total Non-current Liabilities		**5,249,779,552**	5,151,753,965
Total Liabilities		**12,273,431,799**	13,086,635,974
EQUITY			
Equity attributable to holders of the parent company			
Capital stock	25	**3,395,864,100**	3,395,864,100
Additional paid-in capital		**6,964,649,807**	6,964,649,807
Revaluation reserves - net		**(57,322,303)**	(46,429,607)
Other reserves		**(275,974,845)**	(275,974,845)
Retained earnings		**26,264,874,471**	25,739,492,538
Total equity attributable to holders of the parent company		**36,292,091,230**	35,777,601,993
Noncontrolling interest		**6,246,171,046**	6,209,277,199
Total Equity		**42,538,262,276**	41,986,879,192
TOTAL LIABILITIES AND EQUITY		**P 54,811,694,075**	P 55,073,515,166

See Notes to Consolidated Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	April 1 to June 30, 2026	January 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2025
REVENUES					
Rentals:					
Land	14	P 328,741,551	P 661,073,124	P 314,801,321	P 661,141,181
Building	14	342,784,668	686,925,501	352,708,443	759,097,707
Other revenues		149,405,607	295,728,745	139,589,058	286,319,225
		820,931,826	1,643,727,370	807,098,822	1,706,558,113
Sale of residential units	9	14,869,771	129,414,948	10,814,410	178,112,212
Other Revenue		7,674,159	15,112,198	9,353,036	14,408,194
Construction contracts		3,278,478	4,001,071	2,325,403	3,591,962
		846,754,234	1,792,255,587	829,591,671	1,902,670,481
COSTS OF SERVICES AND SALES					
Rentals	20	232,928,978	383,542,663	173,811,240	381,391,973
Sale of residential units	9, 20	7,842,083	47,163,986	(2,507,982)	63,413,175
Construction contracts	20	3,122,361	3,810,544	2,304,466	3,510,712
		243,893,422	434,517,193	173,607,724	448,315,860
GROSS PROFIT		602,860,812	1,357,738,394	655,983,947	1,454,354,621
OTHER OPERATING INCOME (EXPENSES)					
General and administrative	22	(165,630,823)	(298,084,574)	(193,331,506)	(321,755,454)
Selling	22	(14,597,783)	(21,634,050)	(10,484,313)	(11,497,734)
Other Operating Income	21	31,998,671	72,348,279	40,842,522	60,263,162
		(148,229,935)	(247,370,345)	(162,973,297)	(272,990,026)
OPERATING PROFIT		454,630,877	1,110,368,049	493,010,650	1,181,364,595
OTHER INCOME (CHARGES)					
Finance costs	17, 21	(35,471,398)	(75,033,271)	(55,890,467)	(101,120,939)
Finance income	7	46,590,107	117,663,600	70,360,067	122,383,347
Share in net income (loss) of associates and joint ventures		(455)	(55,600)	34,187	(56,803)
		11,118,254	42,574,729	14,503,787	21,205,605
PROFIT BEFORE TAX		465,749,131	1,152,942,778	507,514,437	1,202,570,200
TAX EXPENSE		129,500,785	251,080,790	118,253,137	234,644,978
NET PROFIT		P 336,248,346	P 901,861,988	P 389,261,300	P 967,925,222
Net profit attributable to:					
Equity holders of the parent company		P 314,603,933	P 864,968,141	P 373,775,611	P 936,202,574
Noncontrolling interest		21,644,413	36,893,847	15,485,689	31,722,648
		P 336,248,346	P 901,861,988	P 389,261,300	P 967,925,222
TOTAL COMPREHENSIVE INCOME		P 336,248,346	P 901,861,988	P 389,261,300	P 967,925,222
Earnings Per Share - Basic and Diluted	25	P 0.09	P 0.25	P 0.11	P 0.28

See Notes to Condensed Consolidated Interim Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2026 AND 2025
(Amounts in Philippine Pesos)
(UNAUDITED)

		Attributable to Owners of the Parent Company								
						Retained Earnings				
	Note	Capital Stock	Additional Paid-in Capital	Revaluation Reserves - Net	Other Reserves	Unappropriated	Appropriated	Total	Noncontrolling Interest	Total Equity
Balance at January 1, 2026		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	P 6,209,277,199	P 41,986,879,192
Cash dividends declared	28	-	-	-	-	(339,586,410)	-	(339,586,410)	-	(339,586,410)
Total comprehensive income for the period		-	-	(P 10,892,696)	-	864,968,141	-	854,075,445	36,893,847	890,969,292
Balance at June 30, 2026	25	**P 3,395,864,100**	**P 6,964,649,807**	**(P 57,322,303)**	**(P 275,974,845)**	**P 22,064,874,269**	**P 4,200,000,000**	**P 36,292,091,028**	**P 6,246,171,046**	**P 42,538,262,074**
Balance at January 1, 2025		P 3,395,864,100	P 6,964,649,807	(P 48,999,180)	(P 275,974,845)	P 22,998,354,176	1,200,000,000	P 34,233,894,058	P 6,147,856,302	P 40,381,750,360
Cash dividends declared		-	-	-	-	(322,607,090)	-	(322,607,090)	-	(322,607,090)
Appropriation during the year		-	-	-	-	(3,000,000,000)	3,000,000,000			
Total comprehensive income for the period		-	-	-	-	936,202,574	-	936,202,574	31,722,648	967,925,222
Balance at June 30, 2025	25	P 3,395,864,100	P 6,964,649,807	(P 48,999,180)	(P 275,974,845)	P 20,611,949,660	P 4,200,000,000	P 34,847,489,542	P 6,179,578,950	P 41,027,068,492

See Notes to Condensed Consolidated Interim Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 1,152,942,778	P 695,055,762
Adjustments for:			
Depreciation and amortization	13,14,15	192,199,862	85,926,864
Finance costs	21	74,695,931	42,636,978
Interest income	21	(117,663,600)	(52,023,280)
Share in net losses (earnings) of associates and joint ventures		55,600	90,990
Operating profit before working capital changes		1,302,230,571	771,687,314
Increase in receivables		(317,968,642)	(828,035,978)
Decrease (Increase) in contract asset		296,944,652	71,915,045
Increase in land and land development costs		(65,243,795)	(147,514,305)
Decrease (Increase) in property development costs		(137,650,347)	109,632,080
Decrease (Increase) in other assets		(41,873,255)	103,863,645
Increase (Decrease) in trade and other payables		(359,432,889)	(56,718,247)
Increase (Decrease) in contract liability		-	(1,301,799)
Increase (Decrease) in deposits and advances		(226,551,191)	19,056,257
Increase (Decrease) in retirement benefit obligation		18,210,061	-
Cash generated from operations		468,665,165	42,584,012
Interest received		117,663,600	52,023,280
Net Cash From (Used in) Operating Activities		586,328,765	94,607,292
CASH FLOWS FROM INVESTING ACTIVITIES			
Construction in progress and development costs of investment properties	10, 14	(236,054,017)	(67,222,678)
Additional advances from related parties	23	-	385,229,443
Acquisitions of property and equipment	13	(23,039,647)	(25,623,889)
Net Cash Used in Investing Activities		(259,093,664)	292,382,876
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	28	(339,586,410)	(322,607,090)
Repayments of interest-bearing loans and borrowings	17	(302,083,333)	(18,749,999)
Repayments of lease liabilities	15	(30,897,850)	(6,879,700)
Finance costs paid	21	(52,913,404)	(31,900,663)
Obtained (Paid) advances from related parties	23	1,706,626	(43,664,397)
Net Cash From (Used in) Financing Activities		(723,774,371)	(423,801,849)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(396,539,270)	(36,811,681)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		4,571,850,964	4,631,655,073
CASH AND CASH EQUIVALENTS AT END OF PERIOD		P 4,175,311,694	P 4,594,843,392

See Notes to Consolidated Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
NOTES TO CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
June 30, 2026 AND 2025
(UNAUDITED)
(With Comparative Audited Figures as of December 31, 2025)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

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

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

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

DMWAI is a subsidiary of Wendel Holdings Co., Inc. (WHI or Ultimate Parent Company), a company incorporated and domiciled in the Philippines. WHI is presently engaged in raising investments either through borrowings, sale or lease of its capital assets. The effective percentage of ownership of WHI in DMWAI aggregates to 79.96% as of June 30, 2026 and December 31, 2025.

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

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

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

1.2 Subsidiaries, Associates and Joint Ventures

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

As of June 30, 2026 and December 31, 2025, the following summarizes the effective percentage of ownership or interest of DMWAI over these entities:

Name of Subsidiaries/Associates/Joint Ventures	Explanatory Notes	Effective Percentage of Ownership/Interest June 30, 2026	December 31, 2025
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 Service Management Inc (AWSMI)	(z)	**98.81%**	98.81%
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 Esate Services Management Corp. (ARESM)	(r)	**95.98%**	95.98%
Bay Area Holdings, Inc. (BAHI)	(s)	**59.98%**	59.98%
Aseana Resi Rent Corp. (ARRC)	(t)	**100.00%**	100.00%
Gallio Events, Inc. (GEI)	(y)	**99.99%**	99.99%
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 13.2(b), ABCC became a subsidiary of DMWAI starting in 2019.

(g) DMWAI's effective interest is derived from its 40.00% direct ownership and 60.00% indirect holdings through ARHC. PHI was established to purchase, subscribe for, or otherwise acquire and own, hold, use, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property, including but not limited to, land, buildings, condominiums, shares of stock, bonds and other securities.

(h) DMWAI's effective interest is derived from its 40.00% direct ownership and 41.00% indirect holdings through AHI and R-1 which own 30.00% and 20.00%, respectively. MLCI was established to engage in general realty and other allied businesses including owning, improving, subdividing, developing, reclaiming, enlarging, repairing, constructing, exchanging, leasing and holding investment or otherwise, real estate and lands of all kinds and any buildings, houses and other structures.

(i) DMWAI's effective ownership interest is derived from its 41.98% direct ownership and 24.99% indirect holdings through PHI. AITPI was established to engage in the business of owning, using, improving, developing, selling, exchanging, leasing, and holding for investment or otherwise, real estate of all kinds, including building houses, apartments and other structures, and related activities.

(j) DMWAI's effective ownership is derived from its 29.98% direct ownership and 25.98% indirect holdings through AHI, 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(a)(ii)]. AGHFC was incorporated in October 22, 1999 and has started commercial operations in 2021. The assets and liabilities acquired amounting to P0.4 million and P0.6 million, respectively, were assessed by management to be not significant. AGFHC was established to purchase, acquire, own, lease except financial leasing, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.

(l) 58 Jupiter was acquired in 2017 and indirectly owned through AHI [see Notes 3.1(k) and 13.4]; established to acquire by purchase, lease, donation, or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances.

(m) LBDC was acquired in 2020 and indirectly owned through ARHC [see Notes 3.1(k) and 13.4]; established to engage in real estate business; to acquire by purchase, lease, donation or otherwise, use improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold investment or otherwise, real estate of all kinds, whether improved, managed, or otherwise deal in or dispose of buildings, houses, apartments, townhouses, condominiums, and other structures of whatever kind together with the appurtenances or improvements found thereon.

(n) Indirectly owned through AHI; established to build an international airport in Boracay, Municipality of Malay and/ or Carabao Island, San Jose, Romblon, Philippines.

(o) Indirectly owned through AHI; established to install and provide electronic security apparatus and products to industrial, commercial and other establishments whether public or private for the purpose of securing or protecting properties and other related services. In 2016, AHI acquired through cash consideration the entire 40.00% minority interest of the other stockholder resulting in 100.00% direct ownership by AHI in UCTPI (see Note 28.4).

(p) Indirectly owned through AHI; established to engage in the business of transportation of passengers by means of public utility vehicles for the general public and to lease out or rent its public utility vehicles for special trips.

(q) Indirectly owned through AHI; established to engage in, conduct and carry on the business of buying, selling, distributing, marketing of liquefied petroleum gas and other fuel products at wholesale or retail and to construct a reticulation network in strategically located tank to enable safe and sufficient distribution of piped gas to end users in Aseana Business Park.

(r) Indirectly owned through AHI; established to acquire and manage properties such as commercial, residential, office condominium and industrial real estate.

(s) Indirectly owned through FI; established to purchase, acquire, or otherwise own and hold, use, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, real and personal property, including land, buildings, condominiums and engaging in other related activities. As more fully discussed in Note 28.4, the increase in the Parent Company's effective percentage ownership in FI and BAHI is a result of a deed of exchange representing a business combination that is accounted for under pooling of interest method involving entities under common control.

(t) Indirectly owned through AHI; established to engage in realty business, provided that it shall not solicit, accept or take investments or placements from the public, neither shall it issue investment contracts.

(u) Indirectly owned through FI; established to purchase, import, or otherwise acquire, lease, sell, distribute, market, convey or otherwise dispose heavy equipment, machinery and related implements. As of December 31, 2021, AHEC is currently in the process of liquidation (see Note 13.1).

(v) Established to engage in collecting, segregating, recycling, composting, filling, disposing, treating or otherwise managing household, industrial and other kinds of garbage for local, or other government units and private persons and firms as well as extended guidance and education for proper waste management.

(w) 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(a)].

(y) GEI, an entity incorporated in 2023, is indirectly owned through AHI; was established to manage, operate and lease events facilities to engage in and carry on the business of events management.

(z) AWSMI was established to construct, build, maintain and operate, own or hold, by purchase or otherwise, lease, rent or in any other manner lawfully acquired, by itself or through subsidiary or affiliate, pipelines, mains, water treatment and sewerage treatment.

As of June 30, 2026, FRDC, R-1, MLCI, AITPI, SBRI, BIADC, AGEC and ACBMDC and BDI have not yet started commercial operations.

1.3 Business Segments

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

(a) *Rentals* – refers to leasing of real estate properties, including land and building and other structures.

(b) *Construction* – principally refers to general construction business which involves site development, earthworks, structural and civil works, masonry works, architectural finishes, electrical works, plumbing and sanitary works, fire protection works and mechanical works.

(c) *Sale of Land and Residential Units* – involve the development and sale of industrial and other parcels of land and residential condominium units.

(d) *Other Revenue*- refers to the utility services provided to locators.

1.4 Approval of Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements of the Group as of and for the six months ended June 30, 2026 (including the comparatives as of December 31, 2025 and for the six months ended June 30, 2025) were approved and authorized for issue by the Parent Company's Chief Executive Officer (CEO) on August 12, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis for Preparation of Consolidated Interim Financial Statements

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

The consolidated financial statements of the Group as of and for the years ended December 31, 2025 and 2024, were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). In 2023 and in prior years, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

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

(b) SEC Financial Reporting Reliefs Availed by the Group

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

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

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

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

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

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

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

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

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

(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.

(d) Functional and Presentation Currency

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

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Group's last annual consolidated financial statements as of and for the year ended December 31, 2025.

4. SEGMENT REPORTING

4.1 Segment Assets and Liabilities

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

4.2 Intersegment Transactions

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

4.3 Analysis of Segment Information

Segment information is analyzed as follows for the six months ended June 30, 2026 and 2025 (in thousands):

	Rentals		Construction		Sale of Land and Residential Units		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
REVENUES								
Sales to external customers	**P 1,643,727**	P 1,706,558	**P 4,001**	P 3,592	**P 129,415**	P 178,112	**P 1,777,143**	P 1,902,670
Intersegment sales	**113,998**	108,254	**-**	6,183	**-**	-	**113,998**	115,918
Total revenues	**1,757,725**	1,814,812	**4,001**	9,775	**129,415**	178,112	**1,891,141**	2,018,588
COSTS AND OTHER OPERATING EXPENSES								
Cost of sales and services excluding depreciation and amortization	**212,493**	209,770	**3,811**	3,511	**47,164**	101,864	**263,468**	276,694
Depreciation and and amortization	**171,049**	171,622	**-**	-	**-**	-	**171,049**	171,622
Other expenses (income) – net	**240,680**	126,501	**26**	2,041	**(2,144)**	(6,531)	**238,562**	127,229
	624,222	507,893	**3,836**	5,552	**45,020**	56,882	**673,079**	575,545
SEGMENT OPERATING PROFIT	**P 1,133,502**	P 1,306,919	**P 165**	P 4,223	**P 84,394**	P 121,230	**P 1,218,062**	P 1,443,044

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

	Rentals		Construction		Residential		Total	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities	Total Assets	Total Liabilities
June 30, 2026	**P 36,125,210**	**P 12,919,541**	**P 4,974,451**	**P 369,717**	**P 20,629,638**	**P 3,360,176**	**P 61,729,299**	**P 16,649,433**
December 31, 2025	36,578,054	13,607,698	5,001,807	386,455	20,489,166	3,404,669	62,069,027	17,398,822

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

Rental revenues from a single lessee account for 20.8% and 17.1% of the consolidated revenues for the six months ended June 30, 2026 and 2025, respectively.

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

4.4 Reconciliations

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

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Revenues		
Total segment revenues	**P 1,891,141**	P 2,018,588
Elimination of intersegment revenues	**(113,998)**	(115,918)
Total segment revenue from external customers	**1,777,143**	1,902,670
Unallocated revenue	**15,112**	
Revenues as reported in the consolidated Statements of profit or loss	**1,792,255**	1,902,670
Profit or loss		
Segment operating profit	**P 1,218,062**	P 1,443,043
Elimination of intersegment revenues	**(113,998)**	(115,918)
Unallocated revenue	**15,112**	
Other unallocated expenses	**(8,809)**	(145,760)
Operating profit as reported in the condensed consolidated statements of comprehensive income	**P 1,110,368**	P 1,181,365
Finance costs	**(75,033)**	(101,121)
Finance income	**117,664**	122,383
Share in net income of associates and joint ventures	**(56)**	(57)
Profit before tax as reported in the condensed consolidated statements of comprehensive income	**P 1,152,942**	P 1,202,570

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Assets		
Segment assets	**P 61,729,999**	P 62,069,027
Deferred tax assets – net	**3,946**	776
Other unallocated assets**	**7,853,768**	7,788,084
Elimination of intercompany accounts	**(14,775,319)**	(14,814,815)
Total assets reported in the condensed-consolidated statements of financial position	**P 54,811,694**	P 55,043,072
Liabilities		
Segment liabilities	**P 16,649,433**	P 17,398,822
Deferred tax liabilities – net	**1,456,437**	1,401,358
Other unallocated liabilities**	**740,491**	660,710
Elimination of intercompany accounts	**(6,572,929)**	(6,404,697)
Total liabilities as reported in the condensed consolidated statements of financial position	**P 12,273,432**	P 13,056,193

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

5. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; hence, they should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended December 31, 2025.

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

6. FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

6.2 Financial Instruments Measurement at Fair Value

The Group's financial assets at fair value through other comprehensive income (FVOCI) include proprietary golf club shares, which are categorized within Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. Moreover, equity security held in a private company is included in Level 3 since its market value is not quoted in an active market, hence, measured using the market approach by reference to the fair value of a comparable instrument adjusted for inputs (i.e., financial forecast of cash flows or profit or loss) internally developed by management to consider the differences in corporate profile and historical performance of the entity. As of June 30, 2026 and December 31, 2025, the Group's financial assets measured at FVOCI amounted to P42.6 million. (see Note 16).

The Group has no financial liabilities measured at fair value as of June 30, 2026 and December 31, 2025.

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

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

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

	Notes	June 30, 2026 (Unaudited) Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	7	P 4,175,311,694	P -	P -	P 4,175,311,694
Receivables – net	8	-	-	9,890,330,640	9,890,330,640
Refundable deposits *(presented as part of Other Non-current Assets)*	16	-	-	85,363,321	85,363,321
		P 4,175,311,694	**P -**	**P 9,975,693,961**	**P 14,151,005,655**
Financial Liabilities					
Loans and borrowings	17	P -	P -	P 2,468,750,000	P 2,468,750,000
Trade and other payables	18	-	-	2,068,816,781	2,068,816,781
Advances from and due to related parties	23.2	-	-	3,523,328,714	3,523,328,714
Rental deposits	19	-	-	403,825,594	403,825,594
Construction bond	19	-	-	20,534,555	20,534,555
Lease liability	15.2	-	-	525,281,839	525,281,839
		P -	**P -**	**P 9,010,537,483**	**P 9,010,537,483**

	Notes	December 31, 2025 (Audited) Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	7	P 4,571,850,964	P -	P -	P 4,571,850.964
Receivables – net	8	-	-	9,519,630,449	9,519,630,449
Refundable deposits *(presented as part of Other Non-current Assets)*	16	-	-	85,454,443	85,454,443
		P 4,571,850,964	P -	P 9,605,084,892	P 14,176,935,856
Financial Liabilities					
Loans and borrowings	17	P -	P -	P 3,120,155,551	P 3,120,155,551
Trade and other payables	18	-	-	1,981,136,108	1,981,136,108
Advances from and due to related parties	23.2	-	-	3,521,622,188	3,521,622,188
Rental deposits	19	-	-	650,734,472	650,734,472
Construction bond	19	-	-	20,067,712	20,067,712
Lease liabilities	15.2	-	-	536,212,272	536,212,272
		P -	P -	P 9,829,933,303	P 9,829,933,303

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

6.4 Fair Value Disclosures for Investment Properties Carried at Cost

The table below shows the levels within the hierarchy of non-financial assets that are not measured at fair value but for which fair values are disclosed as of June 30, 2026 and December 31, 2025.

	Note	Level 1	Level 2	Level 3	Total
June 30, 2026 and December 31, 2025					
Land		P -	161,305,319,705	P -	P 161,305,319,705
Buildings and improvements		-	-	22,429,446,000	22,429,446,000
Construction in progress		-	-	780,223,000	780,223,000
	14	**P -**	**P161,305,319,705**	**P 23,209,669,000**	**P184,514,988,705**

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

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand and in banks	**P 1,107,245,310**	P 1,454,790,234
Short-term placements	**3,068,066,384**	3,117,060,730
	P 4,175,311,694	P 4,571,850,964

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 4.20% to 5.3% during the six months ended June 30, 2026 and 4.30% to 5.50% during the six months ended June 30, 2025. Interest income from cash in banks and short-term placements amounting to P84.4 million and P69.9 million in June 30, 2026 and 2025, respectively, is presented as part of Finance Income in the consolidated statements of comprehensive income.

8. RECEIVABLES

This account is composed of the following:

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Current:			
Rental receivables		**P 2,280,896,168**	P 2,307,344,005
Advances to:			
Related parties	23.1	**787,180,440**	775,177,047
Suppliers		**173,317,901**	181,240,637
Officers and employees		**15,073,874**	14,366,008
Contracts receivables		**551,093,781**	559,680,500
Commission Receivable		**53,132,190**	10,600,671
Retention receivables		**2,032,715**	2,032,716
Others		**23,428,099**	16,531,009
		3,886,155,168	3,866,972,593
Allowance for impairment		**(69,287,463)**	(66,235,590)
		3,816,867,705	3,800,737,003
Non-current:			
Rental receivables		**6,246,780,837**	5,944,942,897
		P10,063,648,542	P 9,745,679,900

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

	June 30, 2026	June 30, 2025
Not more than three months	**P 308,678,443**	P 333,023,137
More than three months but not more than one year	**124,225,433**	71,940,934
More than one year	**613,434,462**	606,889,542
	P 1,046,338,338	P 1,011,853,613

9. PROPERTY DEVELOPMENT COSTS AND REAL ESTATE TRANSACTIONS

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

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
MidPark Towers	**P 1,777,085,127**	P 1,668,062,992
One Parq Suites	**67,106,683**	66,444,058
Raw Land	**795,662,588**	795,662,588
	P 2,639,854,398	P 2,530,169,638

Cost of residential units sold amounted to P47.2 million and P63.4 million for the six months ended June 30, 2026 and 2025, respectively (see Note 20.3).

Percentage of completion of MidPark Towers as at June 30, 2026 and 2025 is 98.95% and 95.22%, respectively.

10. 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; and Lunzuran Heights Subdivision, Zamboanga and Quezon City as of June 30, 2026 and December 31, 2025.

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**P 11,842,953,967**	P11,723,087,039
Development costs during the year	**79,802,092**	121,953,583
Sale during the year	**-**	(2,086,655)
Balance at end of period	**P 11,922,756,059**	P11,842,953,967

Management has estimated that the net realizable value of Land and Land Development Costs is higher than its carrying value as of June 30, 2026 and December 31, 2025. As of June 30, 2026 and December 31, 2025, certain portion of the parcels of land owned by the Group with a total lot area of 2,777 and carrying amount of P52.9 million, is used as collateral to secure certain peso denominated interest-bearing loans (see Note 17). The loans do not contain any restriction on the sale of the land except that the mortgage is annotated in the titles of the said properties.

11. OTHER CURRENT ASSETS

This account consists of the following:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Deferred input value added tax (VAT)	**P 673,140,711**	P 676,106,912
Input VAT	**384,084,987**	384,312,030
Prepayments	**157,826,960**	171,278,193
Creditable withholding tax	**39,186,515**	60,055,136
Contract acquisition costs	**42,822,161**	44,212,089
Refundable Deposits	**16,631,985**	16,681,985
Financial assets at FVTPL	**10,453,418**	10,453,418
	P 1,324,146,736	P 1,363,099,763

12. INVESTMENTS IN ASSOCIATES

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Acquisition costs	**P 56,913,213**	P 56,913,213
Accumulated share in net losses:		
Balance at beginning of period	**(8,803,030)**	(8,592,928)
Share in net losses	**(221,832)**	(210,102)
Balance at end of period	**(9,024,862)**	(8,803,030)
	P 47,888,351	P 48,110,183

13. PROPERTY AND EQUIPMENT

The gross carrying amounts and the accumulated depreciation and amortization of property and equipment at the beginning and end of the six months ended June 30, 2026 and the year ended December 31, 2025 are shown below.

	Land	Land Improvements	Leasehold Improvements	Machinery and Construction Equipment	Transportation Equipment	Furniture and Office Equipment	Other Equipment	Building and Improvements	Total
June 30, 2026									
Cost	P 9,291,800	P 114,670,187	P 99,595,913	P 536,887,670	P 107,061,004	P 207,130,995	P 17,347,451	P 239,649,209	P 1,331,634,229
Accumulated depreciation and amortization	-	(110,651,394)	(93,614,477)	(524,117,750)	(97,816,738)	(141,275,927)	(14,971,501)	(65,903,532)	(1,048,351,320)
Net carrying amount	**P 9,291,800**	**P 4,018,793**	**P 5,981,436**	**P 12,769,920**	**P 9,244,265**	**P 65,855,068**	**P 2,375,950**	**P 173,745,677**	**P 283,282,909**
December 31, 2025									
Cost	P 9,291,800	P 114,670,187	P 96,399,285	P 536,718,027	P 107,061,004	P 205,419,612	P 17,230,460	P 239,649,209	P 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	P 9,291,800	P 8,722,296	P 8,048,212	P 15,150,511	P 15,209,227	P 65,371,660	P 2,356,451	P 177,739,830	P 301,889,987
January 01, 2025									
Cost	P 9,291,800	P 112,935,562	P 86,090,723	P 526,658,216	P 106,073,040	P 194,132,419	P 16,177,538	P 239,649,209	P 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	P 9,291,800	P 24,864,627	P 5,785,692	P 17,226,726	P 25,990,580	P 55,452,093	P 1,473,674	P 185,728,137	P 325,813,329

A reconciliation of the carrying amounts at the beginning and end of the six months ended June 30, 2026 and the year ended December 31, 2025 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
Balance at January 1, 2026, net of accumulated depreciation and amortization	P 9,291,800	P 8,722,296	P 8,084,212	P 15,150,511	P 15,209,227	P 65,371,660	P 2,356,451	P 177,739,830	P 301,889,987
Additions	-	-	414,559	169,643	-	4,493,453	116,991	-	5,194,646
Depreciation and amortization charges for the period	-	(4,703,503)	(2,481,335)	(2,550,234)	(5,964,962)	(4,010,045)	(97,492)	(3,994,153)	(23,801,724)
Balance at June 30, 2026, net of accumulated depreciation and amortization	**P 9,291,800**	**P 4,018,793**	**P 5,981,436**	**P 12,769,920**	**P 9,244,265**	**P 65,855,068**	**P 2,375,950**	**P 173,745,677**	**P 283,282,909**
Balance at January 1, 2025, net of accumulated depreciation and amortization	P 9,291,800	P 24,864,627	P 5,785,692	P 17,226,726	P 25,990,580	P 55,452,285	P 1,473,674	P 185,728,137	P 325,813,329
Additions	-	1,734,625	10,308,562	10,059,811	987,964	11,287,193	1,052,922	-	35,431,077
Depreciation and amortization charges for the year	-	(17,876,956)	(8,046,042)	(12,136,026)	(11,769,317)	(1,367,626)	(170,145)	(7,988,307)	(59,354,419)
Balance at December 31, 2025, net of accumulated depreciation and amortization	P 9,291,800	P 8,722,296	P 8,048,212	P 15,150,511	P 15,209,227	P 65,371,660	P 2,356,451	P 177,739,830	P 301,889,987

The amount of depreciation and amortization is allocated as follows:

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
General and administrative expense	22	**P 21,818,915**	P 31,869,168
Capitalized as part of land and land development costs		**1,982,814**	27,485,251
		P 23,801,724	P 59,354,419

14. INVESTMENT PROPERTIES

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

	Note	**2026**	2025
Investment properties – net		**P 21,676,084,087**	P 21,617,961,536
Right-of-use asset – net	15.1	**424,231,402**	427,410,875
		P 22,100,315,489	P 22,045,372,411

The gross amounts and the accumulated depreciation of investment properties at the beginning and end of the six months ended June 30, 2026 and the year ended December 31, 2025 are shown below.

	Land	**Building and Improvements**	**Condominium Units**	**Construction in Progress**	**Total**
June 30, 2026					
Cost	P 12,247,869,277	P 10,823,364,342	P 25,228,650	P 519,447,225	P 23,615,909,494
Accumulated depreciation	-	(1,928,749,374)	(11,076,033)	-	(1,939,825,407)
Net carrying amount	**P 12,247,869,277**	**P 8,894,614,968**	**P 14,152,617**	**P 519,447,225**	**P 21,676,084,087**
December 31, 2025					
Cost	P 12,223,020,856	P 10,824,651,592	P 25,228,650	P 317,847,076	P 23,390,748,174
Accumulated depreciation	-	(1,762,215,178)	(10,571,460)	-	(1,772,786,638)
Net carrying amount	P 12,223,020,856	P 9,062,436,414	P 14,657,190	P 317,847,076	P 21,617,961,536
January 1, 2025					
Cost	P 12,011,261,267	P 10,813,905,244	P 25,228,650	P 260,358,157	P 23,110,753,318
Accumulated depreciation	-	(1,427,397,959)	(9,562,314)	-	(1,436,960,273)
Net carrying amount	P 12,011,261,267	P 9,386,507,285	P 15,666,336	P 260,358,157	P 21,673,793,045

The reconciliation of the carrying amounts of investment properties at the beginning and end of the six months ended June 30, 2026 and the year ended December 31, 2025 is shown below.

	Land	Building and Improvements	Condominium Units	Construction in Progress	Total
Balance at January 1, 2026, net of accumulated depreciation	P 12,223,020,856	P 9,062,436,414	P 14,657,190	P 317,847,076	P 21,617,961,536
Additions	24,848,421	-	-	-	24,848,421
Reclassifications	-	(1,287,250)	-	201,600,149	(200,312,899)
Depreciation charges for the period	-	(166,534,196)	(504,573)	-	(167,038,769)
Balance at June 30, 2026, net of accumulated depreciation	**P 12,247,869,277**	**P 8,894,614,968**	**P 14,152,617**	**P 519,447,225**	**P 21,676,084,087**
Balance at January 1, 2025, net of accumulated depreciation	P 12,011,261,267	P 9,386,507,285	P 15,666,336	P 260,358,157	P 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	**P 12,223,020,856**	**P 9,062,436,414**	**P 14,657,190**	**P 317,847,076**	**P 21,617,961,536**

The amount of depreciation is allocated as follows:

	Notes	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost of rentals	20.2	**P 166,534,196**	P 334,817,219
General and administrative expense	22	**504,574**	1,009,146
		P 167,038,769	P 335,826,365

Land and building rental revenues recognized from investment properties amounted to P1,348.0 million and P1,420.2 million for the six months ended June 30, 2026 and 2025, respectively, and are shown as Rentals under Revenues account in the condensed consolidated statements of comprehensive income. Costs incurred related to investment properties, including the depreciation, are presented as Rentals under Costs of Services and Sales account in the condensed consolidated statements of comprehensive income (see Note 20.2).

Management believes that the carrying amounts of investment properties are recoverable in full; hence, no impairment loss is recognized in 2026 and 2025.

Certain investment properties with carrying amount of P1,578.6 million as of June 30, 2026 and December 31, 2025, are used as collateral for certain loans with local banks (see Note 17).

The fair value of investment properties amounted to P175,527.0 million as of June 30, 2026 and December 31, 2025. (see Note 6.4).

15. LEASES

The Group leases certain parcels of land from WHI where the Group's certain investment properties are situated. Such leases have original term up to 30 years, and subject to escalation rate of 3% and enforceable renewal or extension options. The leases with WHI are reflected in the 2025 condensed consolidated statement of financial position as a right-of-use asset under Investment Properties (see Note 14) and lease liability.

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

15.1 Right-of-use Asset

The carrying amount of the Group's right-of-use asset as at June 30, 2026 and December 31, 2025 and the movements during the period are shown below.

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Balance at beginning of period		**P 427,410,875**	P 442,213,050
Amortization	20.2	**(3,179,473)**	(14,802,175)
Balance at end of period		**P 424,231,402**	P 427,410,875

The amount of depreciation allocated as part of costs of rentals is P3.2 million and P14.9 million as of June 30,2026 and December 31,2025, respectively.

15.2 Lease Liabilities

Lease liabilities are secured by the related underlying assets. Such liabilities are presented in the condensed consolidated statement of financial position as at June 30, 2026, and December 31, 2025 as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current	**P 19,747,774**	P 21,468,247
Non-Current	**505,534,065**	514,749,025
	P 525,281,839	P 536,217,272

Interest expense in relation to lease liabilities amounted to P21.8 million and P21.6 million as of June 30, 2026 and 2025, respectively, and is presented as part of Finance Costs in the condensed consolidated statements of comprehensive income (see Note 21.2).

As of June 30, 2026, the Group has no commitments for leases (as lessee) entered into but which had not commenced.

16. OTHER NON-CURRENT ASSETS

This account includes the following:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advances to suppliers	**P 738,210,387**	P 815,465,527
Project Advances	**120,275,187**	120,275,187
Refundable deposits	**68,731,336**	68,772,458
Deposits for future investment	**54,026,935**	54,026,935
Financial assets at FVOCI	**42,602,098**	41,385,562
Others	**2,686,589**	2,730,518
	1,026,532,532	1,102,656,187
Allowance for impairment	**(120,275,187)**	(120,275,187)
	P 906,257,345	P 982,381,000

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**P 41,385,562**	P 41,993,830
Unrealized fair value gain(loss)	**1,216,536**	(608,268)
Balance at end of period	**P 42,602,098**	P 41,385,562

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

17. LOANS AND BORROWINGS

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current	**P 414,583,333**	P 716,666,666
Non-current	**2,468,750,000**	2,468,750,000
	P 2,883,333,333	P 3,185,416,666

Bank loans represent partially secured and unsecured loans from local commercial banks. Some loans bear fixed interest rates of 3.5% in June 30, 2026 and December 31, 2025 and some loans are subject to quarterly repricing based on prevailing market rate.

In June 30, 2026 and 2025, interest costs related to bank loans amounted to P53.0 million and P77.0 million, respectively, and were recognized as part of Finance costs account in the condensed consolidated statements of comprehensive income (see Note 21.2).

Certain bank loans are partially secured by investment properties amounting to P1,578.6 million as of June 30, 2026 and December 31, 2025, respectively, and land and land development costs amounting to P52.9 million as of June 30, 2026 and December 31, 2025 (see Notes 10 and 14).

18. TRADE AND OTHER PAYABLES

This account consists of the following:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Deferred output VAT payable	**P 612,852,717**	P 672,515,130
Accrued Expenses	**688,720,504**	900,641,040
Retention payable	**597,334,863**	576,230,232
Trade payables	**367,631,964**	359,605,473
Other payables	**169,908,697**	184,084,602
	P 2,436,448,745	P 2,693,076,477

19. DEPOSITS AND ADVANCES

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current:		
Advance rentals	**P 262,648,213**	P 293,756,803
Rental Deposits	**191,465,332**	243,258,752
Reservation deposits	**49,843,977**	70,497,034
Unearned rent income	**17,018,773**	175,938,499
Construction bond	**20,534,555**	20,067,712
Others	**12,837,966**	11,333,377
	554,348,815	814,852,177
Non-current:		
Rental deposits	**350,623,904**	407,475,720
Advance rentals	**199,629,500**	198,567,385
Unearned rent income	**109,409,369**	109,409,369
Others	**100,663,245**	10,921,373
	760,326,018	726,373,847
	P 1,314,674,833	P 1,541,226,024

20. COSTS OF SERVICES

20.1 Cost of Construction Contracts

The cost of construction contracts pertains to cost of subcontract amounting to P3.8 million in 2026 and P3.5 million in 2025.

20.2 Cost of Rentals

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

	Notes	**2026**	2025
Depreciation	14, 15.1	**P 170,737,548**	P 171,621,829
Taxes and licenses		**46,928,229**	47,651,341
Repairs and maintenance		**51,352,308**	62,205,799
Utilities		**25,847,358**	25,764,000
Office supplies		**19,524,922**	12,749,627
Outside services		**36,625,867**	33,851,615
Professional fees		**16,043,340**	8,904,635
Others		**16,483,091**	18,643,127
		P 383,542,663	P 381,391,973

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

20.3 Cost of Sale of Residential Units

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

	2026	2025
Development costs	**P 40,740,298**	P 52,584,477
Land cost	**5,139,195**	6,665,641
Others	**1,284,493**	4,163,057
	P 47,163,986	P 63,413,175

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

Others include permits and licenses, development changes, surveying, monumenting and titling fees.

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

21.1 Other Operating Income

		2026		2025
Gain arising from recognition of building	P	**14,987,000**	P	-
Forfeiture Income		**24,718,727**		32,668,707
Income from rendering of administrative and other services		**18,999,995**		21,296,333
Others		**13,642,557**		6,298,122
	P	**72,348,279**	P	60,263,162

21.2 Finance Costs

	Note		2026		2025
Interest expense on:					
Bank loans	17	**P**	**52,913,404**	P	76,956,320
Lease liabilities	15.2		**21,782,527**		21,551,359
Significant Financing component			**-**		2,592,455
Others			**337,340**		20,805
		P	**75,033,271**	P	101,120,939

22. OPERATING EXPENSES BY NATURE

The details of operating expenses by nature are shown below.

	Notes	**2026**	2025
Depreciation and amortization	13,14,15	**P 197,835,428**	P 189,254,703
Salaries and employee benefits		**124,333,405**	101,877,912
Taxes and licenses		**94,738,574**	102,677,401
Repairs and maintenance		**55,370,507**	65,925,648
Outside services		**42,617,615**	38,852,484
Development costs		**40,740,298**	52,584,477
Utilities		**31,131,965**	27,859,615
Bond and insurance		**29,345,320**	28,734,611
Professional fees		**25,508,054**	18,975,814
Association dues		**25,243,759**	23,991,524
Office supplies		**23,576,079**	20,867,020
Commission		**11,524,785**	3,328,914
Subscription		**10,644,926**	11,516,869
Selling & Advertising		**10,109,266**	8,168,820
Transportation		**9,300,597**	5,564,280
Land Cost		**5,139,195**	6,665,641
Subcontract		**3,800,294**	911,140
Representation and entertainment		**3,190,510**	20,835,198
Corporate Affairs		**2,456,474**	16,666,677
Others		**7,628,766**	36,310,300
		P 754,235,817	P 781,569,048

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

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

	Notes	**2026**	2025
Cost of rentals	20.2	**P 383,542,663**	P 381,391,973
Cost of sale of residential units	20.3	**47,163,986**	63,413,175
Cost of construction contracts	20.1	**3,810,543**	3,510,711
General and administrative expenses		**298,084,575**	321,755,455
Selling expenses		**21,634,050**	11,497,734
		P 754,235,817	P 781,569,048

The details of general and administrative expenses are shown below.

	Notes	2026	2025
Salaries and employee benefits		**P 124,333,405**	P 101,877,912
Taxes and licenses		**47,810,345**	55,026,060
Depreciation and amortization	13, 14	**27,097,880**	27,951,920
Association dues		**25,243,759**	23,991,524
Subscription		**10,644,926**	11,516,869
Outside services		**5,991,748**	5,000,869
Bond and insurance		**12,862,229**	10,091,484
Professional fees		**9,464,714**	10,070,179
Representation and entertainment		**3,190,510**	20,835,198
Office supplies		**4,051,157**	8,117,393
Transportation		**9,300,597**	7,564,280
Corporate Affairs		**2,456,474**	16,666,677
Communication		**2,790,788**	2,262,118
Repairs and maintenance		**4,018,199**	3,719,849
Utilities		**5,284,607**	2,095,615
Others		**3,543,237**	14,967,508
		P 298,084,575	P 321,755,455

23. RELATED PARTY TRANSACTIONS

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

The summary of the Group's significant transactions in 2026 and 2025 with its related parties and the outstanding balances as of June 30, 2026 and December 31, 2025 are presented below:

Related Party Category	Notes	Outstanding Balances June 30, 2026 (Unaudited)	Outstanding Balances December 31, 2025 (Audited)	Amount of Transactions 2026	Amount of Transactions 2025
Ultimate parent company:					
Cash advances granted	23.1	**P 478,095,344**	P 478,095,344	**P -**	P 6,509,948
Advances from purchase of land	23.2	**(3,439,133,011)**	(3,439,133,011)	**-**	83,268,840
Cash advances assumed	23.2	**(40,026,017)**	(40,026,017)		
Right-of-use assets		**424,231,402**	427,410,876	**(3,179,474)**	(14,802,174)
Lease liability		**(525,281,839)**	(536,217,273)	**(10,935,434)**	(5,932,389)
Management Fee		**100,591,880**	122,435,876	**21,844,056**	43,688,115
Interest expense		**-**	-	**21,262,632**	42,470,571
Associates:					
Cash advances granted	23.1	**-**	-	**-**	-
Joint ventures:					
Cash advances granted	23.1	**-**	-	**-**	-
Construction contracts		**-**	-	**-**	-
Related parties under common ownership and management:					
Cash advances granted (collected)	23.1	**198,457,599**	186,889,220	**-**	16,119,898
Cash advances paid (obtained)		**(44,169,484)**	(45,349,701)	**(1,180,218)**	**(2,886,732)**
Contracts of services		**-**	-	**-**	-
Other income		**-**	-	**29,630,666**	43,384,728
Stockholders:					
Cash advances granted (collected)	23.1	**110,627,497**	110,192,483	**1,087,827**	652,813
Key management personnel –					
Compensation		**-**	-	**34,053,512**	67,613,880

23.1 Advances to Related Parties

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

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Ultimate parent company	**P 478,095,344**	P 478,095,344
Related parties under common ownership and management	**198,457,599**	186,889,220
Stockholders	**110,627,497**	110,192,483
	P 787,180,440	P 775,177,047

23.2 Advances from Related Parties and Due to Ultimate Parent Company

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

24. EARNINGS PER SHARE

Basic and diluted earnings per share were computed as follows:

	2026 (Unaudited)	2025 (Unaudited)
Net profit attributable to the equity holders of the Parent Company	**P 864,968,141**	P 936,202,574
Divided by weighted average number of outstanding common shares*	**3,395,864,100**	3,395,864,100
Basic and diluted earnings per share	**P 0.25**	P 0.28

*The Group has no potential dilutive common shares as of June 30, 2026 and 2025.

25. CAPITAL STOCK

The Parent Company has an authorized capital stock of P4,000,000,000 divided into 4,000,000,000 shares with a par value of P1 per share, of which 3,395,864,100 shares or P3,395,864,100 are issued and outstanding as of June 30, 2026 and December 31, 2025.

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 P4.90 per share and P5. 0 per share as of June 30, 2026 and December 31, 2025, 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.

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 June 30, 2026 and December 31, 2025, there are 30 and 31 holders of the listed common shares owning at least one board lot of 100 shares. The public float lodged with PCD Nominee is counted as one stockholder only.

26. COMMITMENTS AND CONTINGENCIES

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

26.1 Operating Leases – Group as a Lessor

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

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within one year	**P 1,925,572,744**	P 1,920,150,445
After one year but not more than two years	**1,817,151,680**	1,802,384,483
After two years but not more than three years	**1,509,466,498**	1,493,960,941
After three years but not more than four years	**1,313,307,170**	1,297,026,301
After four years but not more than five years	**1,174,546,427**	1,157,451,593
More than five years	**39,381,985,620**	39,357,956,260
	P 47,122,030,139	P 47,028,930,023

26.2 Legal Claims

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

26.3 Deficiency Tax Assessments

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

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.

26.4 Reclaimed Land and Others

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

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

There are other commitments, litigations and contingencies that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. As of June 30, 2026, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's consolidated financial statements.

27. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

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

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

As of June 30, 2026 and December 31, 2025, the Group's ratios of net interest-bearing loans to total capital are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Total loans and borrowings	**P 2,883,333,333**	P 3,185,416,666
Less: Cash and cash equivalents and short-term placements	**(4,175,311,694)**	(4,571,850,964)
Net loans and borrowings (a)	**(1,291,978,361)**	(1,386,434,298)
Total equity	**42,538,262,276**	41,986,879,192
Net loans and borrowings and equity (b)	**P 41,246,283,915**	P 40,600,444,894
Gearing ratio (a/b)	**-3%**	-3%

28. CASH DIVIDENDS

On March 12, 2026, the Parent Company's BOD in the special meeting held approved the declaration of dividends amounting to P0.10 per share to shareholders as of the record dated April 10, 2026. The dividends were made payable on April 28, 2026.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
Schedule of Financial Indicators
As required under SRC Rule 68, as amended
For the Period Ended June 30, 2026 and 2025
(Amounts in Philippine Pesos)

			June 30, 2026	December 31, 2025
I.	**Current/liquidity ratios**			
	a.	Current Ratio Total Current Assets / Total Current Liabilities	**3.59**	3.25
	b.	Quick Ratio [Cash and Cash Equivalents + Receivables - net] / Total Current Liabilities	**1.14**	1.06
II.	**Solvency ratios**			
	a.	Solvency Ratio Total Assets / Total Liabilities	**4.47**	4.21
	b.	Debt Ratio Total Loans and Borrowings / Total Assets	**5%**	6%
	c.	Debt-to-Equity Ratio Total Loans and Borrowings / Total Equity Attributable to Owners of Parent Company	**7%**	8%
III.	**Asset-to-equity ratio**	Total Assets / Total Equity Attributable to Owners of Parent Company	**1.29**	1.31

			June 30, 2026	June 30, 2025
IV.	**Interest Coverage Ratio**	Earnings Before Interest and Taxes / Interest Costs	**23.2**	15.1
V.	**Profitability Ratios**			
	a.	Net Profit Margin Net profit Attributable to Owners of the Parent Company / Revenues	**48.3%**	49.2%
	b.	Gross Profit Margin Gross Profit / Revenues	**75.8%**	76.4%
	c.	Return on Equity (Annualized) Net profit Attributable to Owners of the Parent Company / Average Total Equity	**4.0%**	4.0%

d.	Return on Assets (Annualized) Net profit Attributable to Owners of the Parent Company / Average Total Assets	**4.0%**	4.0%
e.	Recurring income Rental revenue / Total revenue	**91.7%**	89.7%

D. M. WENCESLAO & ASSOCIATES, INCORPORATED
15th Floor, Aseana 3
D. Macapagal Blvd. corner Asean Ave., Aseana City, Parañaque City
Reconciliation of Retained Earnings Available for Dividend Declaration
As of and for the quarter ended June 30, 2026

Unappropriated Retained Earnings at Beginning of Year		**P 2,874,557,550**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others	-	
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(339,586,410)	
Retained Earnings appropriated during the reporting year	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(339,586,410)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		2,534,971,140
Add: Net Income for the Current Year		429,524,836
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	(304,036,502)	
Sub-total		(304,036,502)
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 2,660,459,474**

Balance brought forward		
Adjusted Net Income		**P 2,660,459,474**
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	(3,992,081)	
Sub-total		(3,992,081)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Quarter		**P 2,656,467,394**

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

DMW's 1H2026 Net Income Reaches ₱865 Million

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

	Six months ended June 30 (UNAUDITED)				
	2026	**% to Revenues**	2025	% to Revenues	% Change
Profit & Loss Data					
Revenues	**1,792**	**100%**	1,903	100%	-6%
Cost of services and sales	**435**	**24%**	448	23%	-3%
Gross profit	**1,358**	**76%**	1,454	76%	-7%
Other operating expenses – net	**247**	**14%**	273	14%	-10%
Net income attributable to the owners of the Parent company	**865**	**48%**	936	49%	-8%

	June 30, 2026		December 31, 2025		
	Amount	**% to Total Assets**	Amount	% to Total Assets	% Change
	(UNAUDITED)		(AUDITED)		
Balance Sheet Data					
Total Assets	**54,812**	**100%**	55,073	100%	0%
Total Liabilities	**12,273**	**22%**	13,087	24%	-6%
Total Equity attributable to owners of the Parent company	**36,292**	**66%**	35,778	65%	1%

	As of the period ended	
Other Key Financial Ratios	**June 30, 2026**	December 31, 2025
Current Ratio	**3.59**	3.25
Debt to Equity	**7%**	8%
	June 30, 2026	June 30, 2025
Return on Equity	**4%**	4%
***Net income ratio**	**48%**	49%
Recurring Income Contribution	**92%**	90%

**Attributable to parent*

Revenue

Total consolidated revenue decreased by P110.4 million or 5.8%, from P1,902.7 million for the six months ended June 30, 2025 to P1,792.3 million for the same period in 2026, primarily due to the following:

Sale of Residential Units

The revenue from sale of residential units decreased by P48.7 million or 27.3%, from P178.1 million for the six months ended June 30, 2025 to 129.4 million during the same period in 2026. This decrease was primarily attributable to the decrease in incremental percentage of completion for Midpark in 2026 compared to the incremental percentage of completion for the same period in 2025.

Rentals

The total rental revenue decreased by P62.8 million or 3.7%, from P1,706.6 million for the six months ended June 30, 2025 to P1,643.7 million for the same period in 2026. The decrease is due to the pre-termination of some tenants.

Cost of Services and Sales

Total consolidated cost of services and sales decreased by P13.8 million or 3.1%, from P448.3 million for the six months ended June 30, 2025 to P434.5 million for the same period in 2026 primarily due to the following:

Cost of Residential Units

Cost of sale of residential units decreased by P16.2 million or 25.6%, from P63.4 million for the six months ended June 30, 2025 to P47.2 million for the same period in 2026 in relation to the decrease in its related revenue as discussed above.

Cost of Rentals

Cost of rentals increased by P2.2 million or 0.6%, from P381.4 million for the six months ended June 30, 2025 to P383.5 million for the same period in 2026. The increase was due to the increase in building repairs and maintenance and utilities.

Operating expenses – net

Operating expenses – net decreased by P25.6 million or 9.4% from P273.0 million for the period ended June 30, 2025 to P247.4 million for the same period in 2026 primarily from the increase in other operating income attributable to the recognition of gain from permanent improvements from lease pre-termination.

Tax Expense

Tax expense increased by P16.4 million or 7.0%, from P234.6 million in 2025 to P251.1 million in 2026 primarily due to the taxes paid in advance on unearned rental income in 2025.

Net Profit Attributable to Parent

Net profit attributable to parent company decreased by P71.2 million or 7.6%, from P936.2 million in 2025 to P865.0 million in 2026, as discussed in details in the revenue, cost of services and sales, operating expenses and taxes portions of this report.

Balance Sheet Accounts

Total Assets

The Company's total assets decreased by P261.8 million or 0.5%, from P55,073.5 million as of December 31, 2025 to P54,811.7 million as of June 30, 2026 due to the following:

- Cash and cash equivalents decreased by 396.5 million or 8.7%, from P4,571.9 million to P4,175.3 million as of December 31, 2025 and June 30, 2026, respectively, in relation to dividend declaration.

- Receivables increased by P318.0 million or 3.3%, from P9,745.7 million to P10,063.7 million as of December 31, 2025 and June 30, 2026, respectively, primarily due to the recognition of rental receivable based on PAS17.

- Land and land development cost increased by P79.8 million or 0.7%, from P11,843.0 million to P11,922.8 million as of December 31, 2025 and June 30, 2026, respectively, primarily due to the developments in Aseana City during the period.

- Contract assets decreased by P296.9 million or 18.1%, from P1,641.2 million to P1,344.3 million as of December 31, 2025 and June 30, 2026, respectively, primarily due to the decrease in the incremental percentage of completion for Midpark in 2026 compared to the incremental percentage of completion for the same period in 2025.

- Other non current assets decreased by P76.1 million or 7.7%, from P982.4 million to P906.2 million as of December 31, 2025 and June 30, 2026, respectively, primarily due to recoupment of downpayment as construction of Aseana Plaza progressed.

- Property development cost increased by P109.7 million or 4.3%, from P2,530.2 million to P2,639.9 million as of December 31, 2025 and June 30, 2026, respectively, primarily due to cost recognition for Midpark as it nears completion.

Total Liabilities

Total liabilities decreased by P813.2 million or 6.2%, from P13,086.6 million to P12,273.4 million from December 31, 2025 and June 30, 2026, respectively, due to the following:

- Loans and borrowings decreased by P302.1 million or 9.5%, from P3,185.4 million to P2,883.3 million as of December 31, 2025 and June 30, 2026, respectively, due to the loan principal payments made during the period.

- Trade and other payables decreased by P256.6 million or 9.5%, from P2,693.1 million to P2,436.4 million as of December 31, 2025 and June 30, 2026, respectively, due to payment to suppliers and subcontractors.

- Deposit and advances decreased by P226.6 million or 14.7%, from P1,541.2 million to P1,314.7 million as of December 31, 2025 and June 30, 2026, respectively, mainly due to application of advance rentals.

Total Equity

Total equity increased by P551.4 million or 1.3%, from P41,986.9 million to P42,538.3 million as of December 31, 2025 and June 30, 2026, respectively, primarily due to the results of operation for the six months ended June 30, 2026.

Other Key Financial Ratios

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

> Current ratio increased to 3.59 from 3.25 as of June 30, 2026 and December 31, 2025, respectively, from reduced current liabilities resulting from loan principal payments made during the period.
>
> Debt to equity ratio decreased to 7% from 8% as of June 30, 2026 and December 31, 2025, respectively due to the loan principal payments made during the period.
>
> Net income margin decreased to 48% from 49% as of June 30, 2026 and 2025, mainly due to the decrease in rental revenues during the period.
>
> Recurring income ratio increased to 91.7% from 89.7% as of June 30, 2026 and 2025 due to the lower revenue from sale of residential units during the period.

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

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

Key Operating Data

As of June 2026, DMW's total commercial building gross leasable area stood at 235,846 square meters, with a 70% occupancy rate, outperforming the wider Manila Bay Area based on third-party research published by real estate advisory firms. This underscores the strategic value of Aseana City's transit connectivity, active placemaking initiatives, and diversified tenant mix.

MidPark Towers was completely inaugurated last May, further deepening the estate's live-work-play ecosystem, adding daily residential activity that supports retail, dining, services, and community life within the district. With over 600 units, this marks DMW's 2nd residential project in Aseana after Pixel Residences.

Parqal, DMW's flagship mixed-use development, continues to deliver strong leasing performance and rising foot traffic. Parqal is benefiting from the growing resident base at nearby MidPark Towers, as well as the continued activation of Aseana City through events that draw visitors, families, professionals, and tourists into its public spaces.

DMW's leased-out land portfolio comprises long-term leases across commercial and institutional locators in Aseana City. DMW welcomes the addition of key locators such as Landers, De La Salle – College of Saint Benilde, and St. Luke's further expanding the diversity of the estate. Aseana City's position as a connected and integrated urban district is reinforced by multiple transportation options such as the LRT-1 Redemptorist-Aseana Station, Cavitex-C5 Link, and Aseana City Loop which enables movement to key areas.

Project and Capital Expenditure

As of the period ended June 30, 2026, the Company already spent P7,599.2 million from the IPO proceeds. The Group expects to incur capital expenditures of approximately P3.6 billion which will be funded through internally generated funds or external borrowings.

SIGNATURES

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

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

By:

DELFIN ANGELO C. WENCESLAO
Chief Executive Officer

BENIGNO A. TATUNAY
Chief Finance Officer

Date: August 12, 2026