

**NOTICE
OF
ANNUAL STOCKHOLDERS MEETING**

NOTICE is hereby given that the **2026** annual stockholders meeting of **ARTHALAND CORPORATION** will be held on **26 June 2026, Friday, 9:00 A.M.** *via* remote communication and will be convened by the Presiding Officer in Taguig City. Attendees who may want to participate during the meeting must register at

https://us02web.zoom.us/webinar/register/WN_-Ynv2uh4Tc-Y-gQsR7DvBg#/registration

The Agenda for the meeting is as follows:

- a. Call to Order
- b. Secretary's Proof of Due Notice of the Meeting and Determination of Quorum
- c. Approval of Minutes of Annual Stockholders Meeting held on 27 June 2025
- d. Notation of Management Report
- e. Ratification of Acts of the Board of Directors and Management During the Previous Year
- g. Election of Directors (including Independent Directors)
- h. Appointment of External Auditor for 2026
- i. Other Matters
- j. Adjournment

Only stockholders of record by close of business on **04 June 2026** will be entitled to further notice of and to vote at this meeting. Electronic copies of the Information Statement which will include the manner of conducting the meeting and the process on how one can join the same, as well as vote *in absentia*, among other relevant documents, will be made available in www.arthaland.com and the Electronic Disclosure Generation Technology of the Philippine Stock Exchange (PSE EDGE).

WE ARE NOT SOLICITING YOUR PROXY. However, if you cannot personally attend and participate during the meeting through remote communication but would still like to be represented thereat and be considered for quorum purposes, you may inform the Office of the Corporate Secretary at the address indicated below or through investor.relations@arthaland.com not later than **19 June 2026 (Friday)**. You will thereafter be advised the following business day of any further action on your part, which may include accomplishing a proxy.


RIVA KHRISTINE V. MAALA
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

**SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. **PRELIMINARY Information Statement**

2. Name of Registrant as specified in its charter: **ARTHALAND CORPORATION**

3. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **ASO-94-007160**

5. BIR Tax Identification Number: **004-450-721-000**

6. **7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street,
Bonifacio Global City, Taguig City** **1634**
Address of Principal Office Postal Code

7. **(+632) 8403-6910**
Registrant's telephone number, including area code

8. **Not Applicable**
Former name, former address and former fiscal year, if changed since last report

9. **26 June 2026, 9:00 A.M., Via Zoom® Webinar**
Date, time and place of the meeting of security holders

10. **04 June 2026**
Approximate date on which the Information Statement is first to be sent or given to security holders

11. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA:

<u>Title of Each Class</u>	<u>Number of Shares of Stock Outstanding (As of 30 April 2026)</u>	<u>Amount of Debt Outstanding (As of 30 April 2026)</u>
Common	5,318,095,199 (₱0.18 par value)	None
Preferred Series A	12,500,000 (₱1.00 par value)	None
Preferred Series D	6,000,000 (₱1.00 par value)	None
Preferred Series E	14,000,000 (₱1.00 par value)	None
Preferred Series F	4,964,860 (₱1.00 par value)	None

12. Are any or all of these securities listed on a Stock Exchange? **Yes [x]** No []
If yes, disclose the name of such stock exchange and the class of securities listed therein:

**Philippine Stock Exchange – ALL Outstanding Common Shares and Preferred Shares
Series D and F ONLY.**

WE ARE NOT ASKING YOU FOR A PROXY

A. GENERAL INFORMATION

ITEM 1. Date, Time and Place of ANNUAL STOCKHOLDERS MEETING of Security Holders

- a. Date : 26 June 2026 (Friday)
 Time : 9:00 A.M.
 Venue : Via Zoom® Webinar

Stockholders who may want to attend and participate during the meeting must register at

https://us02web.zoom.us/webinar/register/WN_-Ynv2uh4Tc-Y-gQsR7DvBg#/registration

- b. Principal Address of Issuer: 7/F Arthaland Century Pacific Tower
 5th Avenue corner 30th Street
 Bonifacio Global City, Taguig City 1634
- c. The approximate date on which the Information Statement is first sent or given to security holders is 04 June 2026.

ITEM 2. Dissenters' Right of Appraisal

The stockholders' right of appraisal is given under the instances provided in Section 80, Title X, Appraisal Right, of the Revised Corporation Code of the Philippines, as follows:

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances: (a) In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code; (c) In case of merger or consolidation; and (d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

For the valid exercise of the appraisal right, **ARTHALAND CORPORATION (Arthaland, ALCO or the "Company")** adopts the procedure laid down in Section 81 of the Revised Corporation Code, as follows:

1. The dissenting stockholder must have voted against the proposed corporate action.
2. The dissenting stockholder must make a written demand for the payment of the fair value of shares within thirty (30) days from the date the vote was taken. Failure to make the demand within the prescribed period shall be deemed a waiver of the appraisal right. From the time of demand, all rights accruing to the shares, including voting and dividend rights, shall be suspended in accordance with the provisions of the Revised Corporation Code, except the right of the stockholder to receive payment of the fair value of his/its shares. The dividend, voting and other rights of the dissenting stockholder shall be restored if Arthaland fails to pay the fair value within thirty (30) days in the manner set forth below.

If the proposed corporate action is implemented, Arthaland shall pay the stockholder, upon surrender of the certificate/s of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation

or depreciation in anticipation of such corporate action. If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and Arthaland cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by Arthaland, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by Arthaland within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless Arthaland has unrestricted retained earnings in its books to cover such payment; Provided, further, That upon payment by Arthaland of the agreed or awarded price, the stockholder shall forthwith transfer the shares to Arthaland.

3. The right of payment shall cease under the following instances:
 - a. If the dissenting stockholder withdraws his/its demand for payment, subject to Arthaland's consent;
 - b. If Arthaland abandons the proposed action;
 - c. If the Securities and Exchange Commission (SEC) disapproves the proposed action; and,
 - d. Where the SEC determines that such stockholder is not entitled to the appraisal right.

In the forthcoming Annual Stockholders' Meeting, there is no matter or proposed corporate action which may give rise to a possible exercise by stockholders of their appraisal rights under Title X of the Revised Corporation Code.

ITEM 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

While certain persons may have interest in the matters to be acted upon at the annual meeting, Arthaland has not received any written information from any incumbent Director, nominee or stockholder as of the date of this Information Statement with respect to any intention to oppose any action to be taken up at the meeting. Further, there is no matter to be acted upon in the meeting in which any incumbent Director or Executive Officer of Arthaland is involved, or had a direct, indirect or substantial interest.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. Voting Securities and Principal Holders Thereof

- a. **Class entitled to vote (*as of 30 April 2026*)**

<i>Class of Shares</i>	<i>No. of Shares</i>	<i>Shares Owned by Foreigners</i>	<i>Voting Rights</i>
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Common Shares	5,318,095,199	17,849,210 (0.3356%)	One (1) vote per share

Preferred Shares Series A ²	12,500,000	0 (0%)	One (1) vote per share
Preferred Shares Series D ³	6,000,000	65,410 (1.0902%)	One (1) vote per share
Preferred Shares Series E ⁴	14,000,000	0 (0%)	One (1) vote per share
Preferred Shares Series F ⁵	4,964,860	14,380 (0.2896%)	One (1) vote per share

Only Common shares are entitled to vote on matters to be presented during the Annual Stockholders' Meeting.

- b. Stockholders of record at the close of business on 04 June 2026 will be entitled to notice of and to vote at the Annual Stockholders Meeting. The electronic copy of this Information Statement which includes the manner of conducting the meeting and the process on how one can join the same, as well as vote is available in www.arthaland.com and in the Electronic Disclosure Generation Technology of the Philippine Stock Exchange (PSE EDGE).

c. **Cumulative Voting Rights**

Section 4, Article II of Arthaland's By-laws provides, as follows:

“At all stockholders' meetings, every stockholder entitled to vote in accordance with Section 4 of Article VI of these By-laws shall be entitled to one (1) vote for each share of voting stock standing in his name in the proper book of the Corporation at the time of closing thereof for the purpose of the meeting.

“The right to vote of stockholders may be exercised in person, through proxy or remote communication, *in absentia*, or through such alternative modes as may be provided by applicable laws and regulations.

“At every election of directors, each stockholder entitled to vote during the meeting in accordance with Section 4 of Article VI of these By-laws is entitled to one (i) vote for each share of stock held by him for as many persons as there are directors to be elected, or to cumulate said shares and give one (1) candidate as many votes as the number of directors multiplied by the number of his share shall equal, or to distribute such votes on the same principle among as many candidates as he shall think fit.”

² Under Section 6 of the Revised Corporation Code, “xxx No share may be deprived of voting rights except those classified and issued as “preferred” or “redeemable” shares, unless otherwise provided in this Code: Provided, That there shall always be a class or series of shares with complete voting rights. Holders of nonvoting shares shall nevertheless be entitled to vote on the following matters: xxx (b) Adoption and amendment of bylaws; xxx”

³ *Ibid.*

⁴ *Id.*

⁵ *Id.*

The total number of votes to be cast by the stockholder must not exceed the number of shares owned by him/it as shown in the books of Arthaland multiplied by the whole number of directors to be elected.

d. **Security Ownership of Certain Record and Beneficial Owners and Management**

(1) Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Voting Shares (as of 30 April 2026)

<i>Title of Class</i>	<i>Name and Address of Record Owners, Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship to Record Owner</i>	<i>Citizenship</i>	<i>Number of Shares</i>	<i>% Held</i>
Common	CPG Holdings, Inc. <i>Stockholder</i> Suite 701-706, 7 th Floor, Centerpoint Condominium, J. Vargas corner Garnet Road, Ortigas Center, Pasig City	Christopher Paulus Nicholas T. Po, <i>Stockholder</i> Leonardo Arthur T. Po, <i>Stockholder</i> Teodoro Alexander T. Po, <i>Stockholder</i> Ricardo Gabriel T. Po, <i>Stockholder</i>	Filipino	2,017,619,910 Direct 125,000,000 Indirect	40.289
Common	AO Capital Holdings I, Inc. <i>Stockholder</i> 7/F Arthaland Century Pacific Tower, 5 th Avenue corner 30 th Street, Bonifacio Global City, Taguig City	Jaime C. González, <i>Stockholder</i>	Filipino	1,383,730,000 Direct	26.019

PCD Nominee Corporation (Filipino) is the holder of 1,653,304,346 Common shares, or 31.088% of the total issued and outstanding Common shares of Arthaland.

Arthaland is not aware of any voting trust agreements involving its shares.

(2) Security Ownership of Management (as of 30 April 2026)

<i>Title of Class</i>	<i>Name and Position of Record Owners</i>	<i>Citizenship</i>	<i>Number of Shares & Nature of Ownership</i>	<i>% of Class</i>
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Common	Ernest K. Cuyegkeng <i>Chairman of the Board</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Jaime C. González <i>Vice Chairman and President</i>	Filipino	76,715,151 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	1.44 %
Common	Jaime Enrique Y. González <i>Director</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Cornelio S. Mapa, Jr. <i>Treasurer and Executive Vice</i> <i>President</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Christopher Paulus Nicholas T. Po <i>Director</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Ricardo Gabriel T. Po <i>Vice Chairman</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Denise Loreena V. de Castro <i>Independent Director</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Hans B. Sicat <i>Independent Director</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
Common	Andres B. Sta. Maria <i>Independent Director</i>	Filipino	1 <u>Direct and</u> <u>Beneficial</u> <u>Owner</u>	0.00 %
None	Riva Khristine V. Maala <i>Corporate Secretary and General</i> <i>Counsel</i>	Filipino	0	N.A.
None	Margeline C. Hidalgo <i>Assistant Corporate Secretary</i>	Filipino	0	N.A.

		TOTAL	76,715,159 shares	
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None of these incumbent directors and officers works or is connected with any government agency.

(3) Voting Trust Holders of 5% or More

There are no voting trust holders registered in the books of Arthaland.

(4) Changes in Control

During the Annual Stockholders Meeting held on 27 June 2025, the stockholders elected the following as the members of the Board of Directors for the year 2025-2026 to hold office as such and until their respective successors are duly nominated, elected and qualified:

Regular Directors

1. Mr. Ernest K. Cuyegkeng
2. Mr. Jaime C. González
3. Mr. Jaime Enrique Y. González
4. Mr. Cornelio S. Mapa, Jr.
5. Mr. Christopher Paulus Nicholas T. Po
6. Mr. Ricardo Gabriel T. Po
7. Mr. Andres B. Sta. Maria

Independent Directors

8. Ms. Denise Loreena V. de Castro, and
9. Mr. Hans B. Sicat

During the Organizational Meeting of the Board of Directors held immediately after the foregoing stockholders' meeting, the following were elected as corporate officers for the year 2025-2026 to hold office as such and until their respective successors are duly nominated, elected and qualified, to wit:

Chairman	Mr. Ernest K. Cuyegkeng
Vice Chairman and President	Mr. Jaime C. González
Vice Chairman	Mr. Ricardo Gabriel T. Po
Treasurer	Mr. Cornelio S. Mapa, Jr.
Corporate Secretary	Ms. Riva Khristine V. Maala
Assistant Corporate Secretary	Ms. Margeline C. Hidalgo

Other than the foregoing, there is no change in ownership control since the previous annual meeting.

ITEM 5. Directors, including Independent Directors, and Executive Officers

a. Incumbent Directors and Positions Held/Business Experience for the Past Five (5) Years

<u>Name of Director</u>	<u>Directorship</u>	<u>Date of First Appointment</u>	<u>Age⁶</u>
Ernest K. Cuyegkeng	Non-Executive	21 May 2007	80
Jaime C. González	Executive	21 May 2007	80

⁶ As of the date of this Report.

Jaime Enrique Y. González	Non-Executive	24 June 2011	49
Christopher Paulus Nicholas T. Po	Non-Executive	24 June 2011	55
Cornelio S. Mapa, Jr.	Executive	25 June 2021	59
Ricardo Gabriel T. Po	Non-Executive	28 March 2012	58
Andres B. Sta. Maria	Independent	24 June 2016	77
Denise Loreena V. de Castro ⁷	Independent	30 June 2023	50
Hans B. Sicat	Independent	30 June 2017	65

Ernest K. Cuyegkeng, Filipino, is presently the Chairman and Director of Phelps Dodge Philippines. His other concurrent positions include President and Director of Seven Seas Resorts & Leisure and Sumifru Philippines, Prople, and KSA Realty. He is also a Trustee of Andres Soriano Foundation and is a member of the Makati Business Club, Management Association of the Philippines and Financial Executive Institute of the Philippines and is also the Treasurer of Columbia University Alumni Association of the Philippines. He holds a Bachelor of Arts degree in Economics and a Bachelor of Science degree in Business Administration, both from the De La Salle University. He also obtained a Master's degree in Business Administration from the Columbia Graduate School of Business in New York.

Jaime C. González, Filipino and a graduate of Harvard Business School (MBA) and De La Salle University in Manila with degrees in Bachelor of Arts in Economics (*cum laude*) and Bachelor of Science in Commerce (*cum laude*), is a visionary leader in the Philippine real estate industry, serving as ALCO's Vice Chairman and President since 2017. He is also the founder and Chairman of AO Capital Partners, a financial and investment advisory firm with headquarters in Hong Kong, originally a joint venture with AIG, New York. Mr. González has been involved with a number of other companies internationally, including as an independent director of Euromoney Institutional Investor PLC, a UK publicly listed media company. Apart from these, he was a Managing Director of a large US investment bank with regional responsibilities. He also held the position of Special Trade Negotiator at the Ministry of Trade and Industry in the Philippines and served as the Vice Chairman and President of the Philippine International Trading Corporation, the government's international trading arm. He was once a partner of SGV & Co. with a principal focus on assisting clients in establishing and arranging funding for projects throughout the Asian region. His dedication and passion extend beyond the realm of business. Mr. González is active in socio-cultural organizations such as the Philippine Map Collectors Society, where he is the President, the World President's Organization, and the International Wine and Food Society.

Jaime Enrique Y. González, Filipino, is currently the CEO of IPVI, the Philippines leading venture builder and accelerator. He is also the founder of IPVG Corp., Egames, and IP-Converge, Inc., which are all listed on the PSE. Enrique has spent the last two decades building leading internet, technology and telecom businesses in the Philippines which include leading data center provider that serviced Philippines, HK and Singapore. He has also invested in on-shore and undersea fiber optic cable networks and was the principal shareholder behind Prolexic Technologies (which was acquired by Akamai). He sits on the investment committee of several venture capital funds including Emissary Capital and is an active investor in the Southeast Asia technology eco-system. Enrique is committed to continuous learning. He went to Harvard Business School (Owner-President Management [OPM] Program), is a Kauffman Fellow and a London Business School alumni, and is also completing another Master's program with Tsinghua University. He allocates a fair amount of time to serve non-profit boards and to 'pay it forward'. He is on the board of Young Presidents' Organization (Philippines), Board of Trustees of Asia Society (Philippines), and serves on the board of the Harvard Business School OPM alumni of the Philippines.

⁷ Ms. De Castro passed away on 08 April 2026.

Cornelio S. Mapa, Jr., Filipino, presently the Treasurer and Executive Vice President of ALCO, oversees the Finance, IT, Strategic Procurement, Customer Accounts Management, Construction Cost Control, and Business Development Departments. He previously had several senior executive roles with the Gokongwei Group of companies and its subsidiaries until 2020. His last position was Senior Vice President, Investments and New Builds of JG Summit Holdings, Inc., a role he carried out concurrently as Executive Vice President for Corporate Strategy of Universal Robina Corporation (URC). He was also the Executive Vice President and Managing Director of the URC Branded Consumer Food Group and before then, he served as Senior Vice President at Robinsons Land Corporation, with the functional role of General Manager of the Commercial Centers Division. Prior to joining the Gokongwei Group of companies, he was Senior Vice President and Chief Financial Officer of Coca Cola Bottlers Philippines, including its subsidiaries, Cosmos Bottling and Philippine Beverage Partners. He was also Senior Vice President and Chief Financial Officer of La Tondeña Distillers, Inc. Mr. Mapa earned his Bachelor of Science degrees in Economics and International Finance from New York University, and obtained his Masters in Business Administration from International Institute for Management Development in Lausanne, Switzerland.

Christopher Paulus Nicholas T. Po, Filipino, is the Executive Chairman of Century Pacific Food, Inc., a food company listed in the PSE. He concurrently serves as Chairman of Shakey's Pizza Asia Ventures, Inc., likewise a listed chain restaurant business, and is an independent director of Maya Bank, Inc. and a director of AB Capital and Investment Corporation. Prior to those roles, he was Managing Director for Guggenheim Partners, a U.S. financial services firm where he was in charge of the firm's Hong Kong office. Previously, he was a Management Consultant at McKinsey & Company working with companies in the Asian region. He also worked as the Head of Corporate Planning for JG Summit Holdings, a Philippine-based conglomerate with interests in food, real estate, telecom, airlines and retail. He graduated in 1991 from the Wharton School and College of Engineering of the University of Pennsylvania with dual degrees in Economics (finance concentration) and applied science (system engineering). He holds a Masters degree in Business Administration from the Harvard University Graduate School of Business Administration. He is a member of the Board of Trustees of the Ateneo de Manila University, serves as a Board member of the Child Protection Network as well as Asia Society Philippines, and is the President of the CPG-RSPo Foundation.

Ricardo Gabriel T. Po, Filipino, is the Vice Chairman of Century Pacific Food, Inc. (CNPF), and concurrently serves as Vice Chairman of Shakey's Pizza Asia Ventures, Inc. He was the Executive Vice President and Chief Operations Officer of CNPF from 1990 to 2006 and became the Vice Chairman of its Board of Directors in 2006. He graduated *magna cum laude* from Boston University with a Bachelor of Science degree in Business Management in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in 2000.

Andres B. Sta. Maria, Filipino, was senior partner and a member of the executive committee of the law firm SyCip Salazar Hernandez & Gatmaitan. For over 25 years until he retired, he headed the firm's Special Projects Group, which focused on acquisitions, privatization, power and energy, and industrial and infrastructure projects. He studied at the University of the Philippines, Cornell University and New York University and holds Bachelor of Science in Business Administration, Bachelor of Laws, and Master of Laws degrees. Before SyCip, he worked with the New York law firms Cleary Gottlieb Steen & Hamilton and Coudert Brothers. Mr. Sta. Maria maintains a private practice in commercial and corporate law.

Hans Brinker Sicat, Filipino, is currently a Managing Director in Ares Management Corporation, a U.S. publicly listed alternative investment manager. Hans is with Ares' private equity group, which used to be known as Crescent Point. He has been a leader in the financial services industry for many years and was most recently the Country Manager and Managing Director of ING Bank in the Philippines, a post he occupied from 2017 to 2022. Prior to joining ING, he was the CEO of the PSE from 2011 to 2017 and was concurrent President & CEO of the Securities Clearing Corporation of the Philippines and a Director of the Philippine Dealing System Holdings Corporation, the country's Fixed Income Exchange. Mr. Sicat has been involved with various global and sectoral activities, and has been an Independent Director of a number of private firms in the Conglomerates, TMT and Real Estate spaces. He has been with the Young Presidents' Organization (YPO and YPO Gold) for nearly two decades, an active leader in different roles, including the Chairman for the Philippines' chapter, and a member of the regional South East Asian board and the country Executive Committee. He has also served as a Member of the Board of Directors of the Bankers Association of the Philippines (BAP) and the Investment House Association of the Philippines (IHAP), serving as Committee Chairman for different roles. A mathematician and economist, Mr. Sicat has been a practitioner in the Global Capital Market for over three decades – he was an investment banker with Citigroup and its predecessor firms (Salomon Brothers & Citicorp Securities) in various roles in New York, Hong Kong and the Philippines, including the Country Board of Citigroup Philippines. He finished his coursework for Ph.D. Economics Program at the University of Pennsylvania, Philadelphia. He was conferred an Honorary Doctorate Degree in Business Administration by the Western University in Thailand. He earned his Master of Arts in Economics and Bachelor of Science in Mathematics at the University of the Philippines.

Term of Office

The Board of Directors is composed of nine (9) members who are generally elected at an annual stockholders meeting, and their term of office shall be one (1) year and until their successors shall have been elected at the next annual stockholders meeting and have qualified in accordance with the By-laws of Arthaland.

None of these incumbent directors and officers works or is connected with any government agency.

b. **Procedure for the Nomination and Election of Independent Directors**

Section 2, Article III of Arthaland's By-laws provides for the Procedure for the Nomination & Election of Independent Directors, as follows:

“The Board of Directors shall be composed of nine (9) members, at least two (2) of whom shall be independent directors. The directors shall be elected at the annual stockholders' meeting and their term of office shall be one (1) year and until their successors shall have been elected at the next annual stockholders' meeting and have qualified in accordance with these By-laws and under pertinent laws and regulations of the Philippines.

“To be eligible for nomination or election to the Board of Directors, the candidate must possess all the qualifications and none of the disqualifications enumerated in these By-laws and the Rules of the Corporation's Nomination Committee, and must abide by the nomination process as stated therein.

“An independent director is a director who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially

interfere with his exercise of independent judgment in carrying out his responsibilities as a director, and includes, among other persons, one who:

- a. is not or has not been an officer or employee of the Corporation, its subsidiaries or affiliates or related interests during the past three (3) years counted from the date of his election (other than as an independent director of any of the foregoing);
- b. is not a director or officer of the related companies of the Corporation's majority stockholders (other than as an independent director thereof);
- c. is not a majority stockholder of the Corporation, any of its related companies, or of its majority stockholders;
- d. is not a relative within the fourth degree of consanguinity or affinity, legitimate or common-law, of any director, officer or majority stockholder of the Corporation or any of its related companies;
- e. is not acting as nominee or representative of any director or substantial stockholder of the Corporation, any of its related companies or any of its substantial stockholders;
- f. is not retained, or within the last two (2) years has not been retained, as a professional adviser, consultant, agent or counsel of the Corporation, any of its related companies or any of its substantial stockholders, either in his personal capacity or through his firm, or has not engaged and does not engage in any transaction with the Corporation or with any of its related companies or with any of its substantial stockholders, whether by himself or with other persons, or through a firm of which he is a partner or a company of which he is a director or substantial stockholder, other than transactions which are conducted at arms-length and could not materially interfere with or influence the exercise of his judgment;
- g. is not affiliated with or employed by or within the last three (3) years, has not been affiliated with or employed by the Corporation's present or former external auditors or affiliates; and,
- h. complies with all the qualifications required of an independent director and does not possess any of the disqualifications, and has not withheld nor suppressed any information material to his qualification or disqualification as an independent director.

“When used in relation to the Corporation, “related company” means another company which is (i) its holding company; (ii) its subsidiary; or (iii) a subsidiary of its holding company; and “substantial stockholder” means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

“No person shall qualify or be eligible for nomination or election to the Board of Directors (i) if he is engaged in any business that competes with or is antagonistic to that of the Corporation or its subsidiaries, taking into consideration such factors as business and family relationships, provided that the Nomination Committee shall have sole discretion to determine whether such competition or antagonism exists; or (ii) if he is employed by any government agency or a government owned or controlled corporation; or (iii) if he has or had, by himself or on behalf of an entity he represents, instituted any action or has a pending suit against any of the Corporation's directors or any stockholder who owns at least 10% of the total outstanding shares of the Corporation. Further, no person shall qualify or be eligible for election to the Board of Directors if his nomination is disapproved by at least fifty-one percent (51%) vote of the Board of Directors.

“In addition, no person shall qualify or be eligible for nomination or election to the Board of Directors if he is suffering from any of the following grounds for permanent disqualification:

- a. Conviction by final judgment or order of a competent judicial or administrative body of any crime that (i) involves moral turpitude or similar fraudulent acts or transgressions such as fraud, embezzlement, theft, *estafa*, counterfeiting, misappropriation, forgery, bribery, false affirmation, or perjury; (ii) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (iii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (iv) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them. For purposes of this Section, “similar fraudulent acts or transgressions” shall be defined as anything calculated to deceive, including all acts, omissions and concealment involving a breach of legal or equitable duty, trust or confidence justly reposed, resulting in damage to another, or by which an undue advantage is taken of another;
- b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission, or any court of competent jurisdiction, or any administrative body which the Corporation is subject of, from: (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, investment company, or any corporation; (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws governing securities and banking activities;

The disqualification shall also apply if such person is currently the subject of an order of the Commission, or any court, or any administrative body which the Corporation is subject of, denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code, Securities Regulation Code, or any other law administered by the Commission or *Bangko Sentral ng Pilipinas* (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- c. Convicted or adjudged by final judgment or order by a court or administrative body which the Corporation is subject of, of an offense punishable by imprisonment for a period exceeding six (6) years, or to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Revised Corporation Code, Securities Regulation Code or any other law administered by the Commission or the BSP, committed within five (5) years prior to the date of election as director;

- d. Any person earlier elected as an independent director who becomes an officer, employee or consultant of the Corporation;
- e. Judicial declaration of bankruptcy or insolvency; and,
- f. Final judgment or order of a foreign court or equivalent regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (a) to (e) above.

“The following reasons shall also be considered by the Nomination Committee in evaluating the qualifications of all persons nominated to the Board and such other appointments which require Board approval:

- a. Refusal to fully disclose the extent of his business interests as required under the Securities Regulation Code and its Implementing Rules and Regulations;
- b. Absence or non-participation for whatever reason/s in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident;
- c. Dismissal/termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission;
- d. Being under preventive suspension by the Corporation; and
- e. If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceed two percent (2%) of its subscribed capital stock.

“For the proper implementation of the provisions of this Section, all nominations for the election of directors by the stockholders shall be submitted in writing to the Nomination Committee through the Secretary at the Corporation’s principal place of business at least sixty (60) business days before the date of the stockholders’ meeting called for the purpose of electing directors, or at such earlier or later date that the Board of Directors may fix.

“The decision of the Nomination Committee is final for purposes of the election.”

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In accordance with the foregoing provision, and in order to enable any and all shareholders to participate in the nomination process, the deadline for the submission of nominees to the Board, including those for independent directors, the qualifications of whom must meet those mentioned in the abovementioned section of Arthaland’s By-laws, was set on 24 April 2026.

Section 14, Article III of Arthaland’s By-laws further provides that the nomination of independent directors shall be conducted by the Governance and Nomination Committee⁸ prior

⁸ Composed presently of Messrs. Ricardo Gabriel T. Po (Chairman), Hans B. Sicat and Andres B. Sta. Maria.

to a stockholders meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Governance and Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.

After the nomination, the Nomination Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, which list shall be made available to all stockholders through the filing and distribution of this Information Statement in accordance with the Securities Regulation Code or in such other reports Arthaland is required to submit to the SEC. The name of the person or group of persons recommending the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual stockholders meeting.

Except as those required under the Securities and Regulation Code and subject to pertinent existing laws, rules and regulations of the SEC, the conduct of the election of independent director/s shall be made in accordance with the standard election procedures under the By-laws of Arthaland.

The Chairman of the Annual Stockholders Meeting shall be responsible for informing all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the said stockholders' meeting and specific slot/s for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Below is the Final List of Candidates as directors and independent directors of Arthaland for the ensuing year:

A. Nominees for Regular Directors

1. Mr. Ernest K. Cuyegkeng
2. Mr. Jaime C. González
3. Mr. Jaime Enrique Y. González
4. Mr. Cornelio S. Mapa, Jr.
5. Mr. Christopher Paulus Nicolas T. Po
6. Mr. Ricardo Gabriel T. Po
7. Mr. Hans B. Sicat

B. Nominees for Independent Directors

8. Ms. Eleanor M. Hilado
9. Ms. Rona C. Torres-Tan

Only the above nominees for regular directors are incumbent directors of Arthaland and they are seeking re-election. Their respective qualifications and the positions they held and/or business experience for the past five (5) years are reflected in Item 5a of this Information Statement.

Ms. Hilado was nominated as independent director by Mr. Jaime C. González. She has extensive senior leadership experience in corporate and investment banking and capital markets, including board and committee roles, leading complex financing and advisory transactions for major Philippine conglomerates and multinational companies. Most recently, from 2019 to 2025, she was an independent director of Cemex Holdings Philippines, a publicly listed company. She was also a member of its Audit Committee for the same period and served as Chairperson of the Nomination Committee from 2022 to 2025. Prior to this, she was Senior Vice President and Team Head at BDO Capital & Investment Corporation for 11 years from 2007 to 2018 where she was primarily responsible for securing corporate finance mandates from assigned portfolio of clients and ensuring attainment of revenue and income targets set by the Board, among others. Concurrently from 2002 to 2018, she also served as the President and Director of Armstrong Securities, Inc., a member broker of the Philippine Stock Exchange and one of three stock brokerage firms of the BDO Unibank Group. Following her work with Far East Bank and Trust Company, she thereafter held senior roles in PCI Capital Corporation, PCIBank Corporate Banking Group, and Development Bank of the Philippines Institutional Banking Group. She obtained her Bachelor of Arts degree in Economics at the School of Economics, University of the Philippines, Diliman.

Ms. Tan, on the other hand, was nominated as independent director by Mr. Ricardo Gabriel T. Po. She is an architect and real estate professional with over three (3) decades of leadership experience in property development, advisory, and design. She is the co-founder and President of Kommuno Properties, Inc., a boutique firm developing progressive and sustainable communities for the modern Filipino market. She is likewise the founder and principal of RTT152 Property + Design Consultancy where she provides high-level advisory for developers and landowners, including Rockwell Land Corp., Colliers International, Menarco Development Corp., MERG Realty, and San Vicente Beachfront Holdings, Inc. She was Senior Vice President of Operations at Costa Del Hamilo, Inc. and Vice President and Project Group Head at Filinvest Land, Inc. Prior to this, she was with Edge Properties Development Corp. and Landco Pacific Corp. She was a project architect at Brennan Beer Gorman Monk Architects & Interior Designers, New York, as well as Turalba & Associates, Manila. She obtained her Bachelor of Science degree in Architecture at the University of the Philippines and earned her Master's degree in Real Estate Development from the New York University.

None of the nominees for independent directors are in any way related to the party who nominated them or to any one of the shareholders of Arthaland owning more than five percent (5%) of its voting shares. They possess all the qualifications and none of the disqualifications to become independent directors of Arthaland. Further, they are not officers or employees of Arthaland or any of its subsidiaries, and they are free from any business or other relationships with Arthaland or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of their independent judgment in carrying out their responsibilities as independent directors.

Arthaland complies with the term limits of its independent directors.

None of the nominees for regular directors and independent directors of Arthaland for the ensuing year works for or is connected with any government agency or instrumentality.

c. Corporate and Executive Officers and Positions Held/Business Experience for the Past Five (5) Years

The following are the incumbent principal corporate officers of Arthaland:

Chairman of the Board	Ernest K. Cuyegkeng
Vice Chairman and President	Jaime C. González
Vice Chairman	Ricardo Gabriel T. Po

Treasurer and Executive Vice President
Corporate Secretary and General Counsel
Assistant Corporate Secretary

Cornelio S. Mapa, Jr.
Riva Khristine V. Maala
Margeline C. Hidalgo

Riva Khristine V. Maala, Filipino, holds a Bachelor of Arts degree in Philosophy (*cum laude*) and a Juris Doctor degree, both from the University of the Philippines. She was an Associate Attorney of Fortun Narvasa and Salazar Law Offices before working in the banking industry for eleven years as documentation lawyer, among others. Atty. Maala became ALCO's Head of Legal Affairs and Investor Relations on 01 October 2012 and likewise acted as its Assistant Corporate Secretary and Corporate Information Officer until 08 February 2017 when she was appointed as Corporate Secretary and General Counsel. Atty. Maala has been performing the responsibilities of ALCO's Compliance Officer since she was first appointed as its Assistant Corporate Secretary in May 2007, having assisted ALCO's previous compliance officers on their tasks as such. Her appointment as ALCO's Compliance Officer was formalized on 27 June 2025.

Margeline C. Hidalgo, Filipino, holds a Bachelor of Science degree in Economics (*cum laude*) and a Juris Doctor degree, both from the University of the Philippines. She was an Associate Attorney of Angara Abello Concepcion Regala & Cruz Law Offices before working at Bank of Commerce as Legal Officer and subsequently at CBRE GWS Business Support Services Philippines, Inc. as Commercial Counsel for the Asia Pacific region. She joined ALCO in January 2020 and is currently Assistant Corporate Secretary and Senior Legal Counsel, with the rank of Assistant Vice President.

Term of Office:

The corporate officers of Arthaland are appointed/elected by the Board of Directors at the organizational meeting following the stockholders meeting for a term of one (1) year, and until their successors are appointed/elected and have qualified in accordance with the By-laws of Arthaland. Further, any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or President and Secretary at the same time.

d. **Significant Employees**

Other than the above-named directors and corporate officers, the following are significant or key personnel of Arthaland who make a significant contribution to its business, and none of them works or is connected with any government agency or instrumentality:

Oliver L. Chan, Filipino, is the Executive Vice President who heads Sales and Leasing Operations and oversees Marketing and Corporate Communications. He is a mechanical engineer who obtained his degree from the University of Santo Tomas. Prior to joining Arthaland in 2008, he was the Property Manager of Ayala Property Management Corporation who handled the operations of Ayala Land Inc.'s premiere retail and recreation centers, namely, the Greenbelt complex, Ayala Museum, San Antonio Plaza in Forbes Park and the retail spaces at The Residences at Greenbelt. Because of his strong customer service background, he is concurrently the President of Arthaland Prestige Property Solutions, Inc. (formerly Emera Property Management, Inc.), the property management arm of ALCO, and effective 16 October 2022, he was appointed as ALCO's Chief Sustainability Officer.

Sheryll P. Verano, Filipino, is the Executive Vice President who heads Strategic Funding & Investments and Corporate Planning and is ALCO's Investor Relations Officer. She is a finance professional with over 20 years-experience in financial advisory, debt and equity capital raising, debt restructuring and mergers and acquisitions. Prior to joining Arthaland in June 2016, she was Associate Director in American Orient Capital Partners (Philippines) and was

with the Global Corporate Finance group of SGV and Co. She received her CFA Charter in 2006 and was one of the topnotchers in the 1999 CPA Board Exams. She graduated *cum laude* from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy.

Marivic S. Victoria, Filipino, was appointed as Arthaland's Chief Finance Officer on 01 October 2022. She is a seasoned executive with more than two (2) decades of experience in Finance, Controllership, Audit and Taxation. She has industry knowledge in real estate, real estate financing, and asset and portfolio management. She started her career in SGV and Co. Prior to joining Arthaland as Deputy Chief Finance Officer on 15 December 2021, she was the Treasurer and Chief Finance Officer of the Philippine office of Capmark Financial Group and Elite Union Group. She is a Certified Public Accountant who obtained her MBA from the joint program of Ateneo de Manila University and Regis University. She completed the Executive Development Program of the Wharton School of the University of Pennsylvania, and attended the training on Circular Economy and Sustainability Strategies of the Judge Business School of the University of Cambridge.

Joseph R. Feliciano, Filipino, was appointed Internal Audit Head in 2020 and was thereafter promoted to Internal Audit and Risk Management Officer on 15 December 2021. He obtained from Far Eastern University his Bachelor of Science degree in Commerce major in Accounting with honors (*cum laude*). He also earned several units of Masters of Business Administration from the De La Salle University-Graduate School of Business. Mr. Feliciano is a seasoned internal audit professional with more than 25 years work experience. He is a Certified Internal Auditor (CIA) and Certified Public Accountant (CPA). Prior to joining Arthaland, he was the Head of Internal Audit of TrueMoney Phils. He was also previously the Regional Audit Manager for the Asian region of VisionFund International and the Country Audit Head of Sun Life of Canada. He held key audit positions in companies such as Sumisho (subsidiary of Sumitomo Corporation of Japan), Citigroup, ABS-CBN and Manulife. Mr. Feliciano was elected as a member of the Board of Trustees for 2023-2024 of the Institute of Internal Auditors (IIA)-Phils., a global institute that has a network of affiliates serving members in the fields of internal auditing, risk management, governance, internal control, IT audit, education, security, and management. He has experience in controllership and finance as well.

Leilani G. Kanapi, Filipino, joined Arthaland in March 2008 initially as part of the Technical Services team. She was eventually tasked to head the Strategic Procurement Department in August 2009. She worked previously with Rockwell Land Corporation where she took on roles in Estate Management, Handover and Project Development. Prior to that, she was with CB Richard Ellis as Business Development and Operations Manager for the Property and Facilities Management Group. Ms. Kanapi graduated from the University of Santo Tomas with a Bachelor of Science degree in Civil Engineering and obtained a Masters Degree in Business Administration from Pepperdine University, USA where she also had the opportunity to join the Student Exchange Program in Marseille, France. She has been one of the representatives of Arthaland to the Philippine Green Building Council since 2010. She has also been elected a member of its Board of Trustees for three (3) consecutive years now.

Alex D. Miguel, Filipino, was appointed as Vice President of the Technical Services Group on 05 August 2022. He is a graduate of the Holy Angel University in Angeles City, Pampanga, with a Bachelor of Science degree in Civil Engineering. Mr. Miguel has more than 36 years of work experience in Construction Management, specifically estate development and residential and commercial construction for vertical and horizontal projects. He worked previously with D.M. Consunji, Inc., Makati Development Corporation, Alveo Land Corporation, Taft Property Ventures & Development Corporation, Federal Land, and most recently, Shang Properties, Inc.

Felix Cicero C. Tiukinhoy, Filipino, was appointed as Head of Customer Account Management on 01 August 2023. He finished his formal education from De La Salle University

with a degree in Economics. He took up his Masters in Business Management from the Asian Institute of Management. Prior to joining Arthaland, he was the Group CFO of Taft Property Ventures Development Corp. and, previous to that, he was the Group Head of its Customer Account Management. He drove its financial planning and financial oversight over six (6) affiliated companies including HT Land, Inc., a joint venture with Hongkong Land, with a 20-hectare project in Cebu known as Mandani Bay. Mr. Tiukinhoy has a wealth of experience in General Management, Financial Management and Organizational Development in local and international companies engaged in different industries such as banking and finance, education and real estate.

Maria Elena M. Fajardo, Filipino, was appointed as the Head of the Human Resources and Administration Department on 25 October 2023. She finished her Bachelor of Arts degree in Political Science with a major in International Relations and Economics, from the University of the Philippines, and took up her Bachelor of Laws degree from San Beda University. Ms. Fajardo worked with the Philippine franchise of a Singapore-based educational institution, Informatics Holdings Philippines, Inc., in 2011, and joined Taft Property Ventures Development Corp. in 2015. Prior to joining Arthaland, she was the Human Resource Director for Total Rewards and Learning and Organizational Development of PTC Holdings Corp.

Gerard Vincent Casanova, Filipino, was appointed as Head of the Information and Business Technology (IT) Department and Arthaland's Data Privacy Officer effective on 01 February 2024. He graduated from the De La Salle University where he took up Bachelor of Science in Computer Science. Before joining Arthaland in 2021 as Deputy Head of the Department, he worked for SM Investments Corporation, Royal Caribbean Cruises, Star Cruises and Ayala Corporation. Mr. Casanova has an extensive experience on a broad spectrum of technologies including, but not limited to, SAP, Hyperion Systems, Readsoft, and ZOHO. He is a results-oriented professional with over 17 years of experience in the field of information technology in different industries and has extensive expertise in product and project management.

e. **Family Relationship**

With the exception of brothers Ricardo Gabriel T. Po and Christopher Paulus Nicholas T. Po, and father and son Jaime C. González and Jaime Enrique Y. González, the abovementioned incumbent directors and executive officers of Arthaland are not related to each other, either by consanguinity or affinity.

f. **Involvement in Certain Legal Proceedings**

The above-named directors and corporate/executive officers of Arthaland have not been involved during the past five (5) years up to the date of this Report in any bankruptcy proceeding or any proceeding involving a violation of securities or commodities laws or regulations, nor have they been convicted in a criminal proceeding. Neither has there been any final order or judgment enjoining, barring, suspending or limiting their involvement in any type of business, securities, commodities or banking activities.

The above notwithstanding, a director and an officer of Arthaland are currently parties to legal proceedings which neither involves Arthaland directly nor their acts as such director and officer. There is no final resolution on these proceedings at this time and Arthaland believes that their involvement in said proceedings is not material to an evaluation of their ability or integrity to become a director or officer of Arthaland.

1. In 2013, the Philippine Deposit Insurance Corporation (PDIC) had filed one and the same complaint against Mr. Jaime C. González, among other former officers of then Export and Industry Bank (EIB), before (a) the Department of Justice (DOJ), and (b) the *Bangko Sentral ng Pilipinas* (BSP) for violation of Section 21 (f)(4) and (f)(10) of Republic Act

(R.A.) No. 3591, and Sections 55, 56 and 66 of R.A. No. 8791 in relation to Section 36 of R.A. No. 7653. PDIC alleged that the respondents committed acts which constituted doing business in an unsafe and unsound manner, essentially having concealed from PDIC the engagement as EIB's financial advisor of a company which Mr. González was an officer of, while simultaneously being an officer of EIB. All respondents denied PDIC's accusation and submitted documentary evidence that there was in fact full disclosure to all concerned parties and there was no directive issued by PDIC prohibiting the said engagement.

In 2014, the DOJ found no probable cause to hold Mr. González and his co-respondents liable for the charges of PDIC against them and dismissed the complaint. PDIC's Motion for Reconsideration was likewise denied. PDIC filed a Petition for Review before the Secretary of Justice which was denied on 18 February 2025. PDIC filed its Motion for Reconsideration of said denial on 10 March 2025 and the same remains pending to date.

In March 2016, PDIC filed a civil complaint for sum of money against Mr. González, among others, arising from the same set of allegations and circumstances stated in the above complaint PDIC filed with the DOJ and the BSP, *i.e.* that Mr. González and his co-defendants committed fraud with the concealment of the engagement as EIB's financial advisor of the company which Mr. González was an officer of, and demanded from the defendants the return of the payment made by EIB to a third party. The individual defendants denied PDIC's assertions and presented evidence that there was full disclosure of the questioned transaction given that a PDIC officer was a member of EIB's Board of Directors at the time. On 12 November 2021, the trial court denied plaintiff PDIC's application for preliminary attachment without prejudice to further evidence that may be presented in the trial proper to prove the alleged fraud. The complaint was dismissed altogether on 02 April 2025 as PDIC failed to prove its cause of action with clear and convincing evidence. PDIC only established that EIB paid the whole amount to a third party but did not present evidence that any portion of such amount was thereafter paid to the defendants.

Insofar as the administrative case before the BSP, in a Resolution dated 13 June 2019, the Monetary Board approved the report prepared by the Office of the General Counsel and Legal Services finding Mr. González, among others, administratively liable for violation of banking laws and imposing upon him a fine of ₱20,000.00. Mr. González filed a Motion for Reconsideration on 09 July 2019 and paid the fine under protest, *i.e.*, without abandoning his Motion for Reconsideration or waiving his legal right to question the Monetary Board Resolution before the proper courts and eventually claim reimbursement for the payment of the fine should said Resolution be set aside. BSP denied the Motion on 07 February 2020, hence, Mr. González filed a Petition for Review before the Court of Appeals. In a Joint Decision dated 15 November 2023, BSP's Resolution dated 13 June 2019 was reversed and set aside, and the Court of Appeals declared that the mere fact that Mr. González and his co-respondents were members of the Board and/or corporate officers of EIB would not conclusively and sweepingly make them administratively liable in the absence of proof that their actions are without justifiable basis and are prompted by manifest partiality, evident bad faith or gross inexcusable negligence. PDIC filed a Motion for Reconsideration in December 2023 which was denied in a Resolution dated 04 April 2024. PDIC filed a Petition for Review on Certiorari under Rule 45 of the Rules of Court before the Supreme Court on 03 June 2024. The same remains pending resolution to date.

2. In 2015, PDIC filed one and the same complaint against Mr. González, Ms. Angela de Villa Lacson (Arthaland's former President and CEO), Mr. Froilan Q. Tejada (Arthaland's former Chief Finance Officer), and Ms. Riva Khristine V. Maala (Arthaland's Assistant Corporate Secretary at the time), among other former officers of EIB, (a) before the DOJ for violation of Article 315 of the Revised Penal Code in relation to Presidential Decree No. 1689, and of Section 21(f)(10) of R.A. No. 3591, as amended, and (b) before the BSP

for violation of Section 37 of R.A. No. 7653. PDIC alleged that the respondents conspired and fraudulently caused EIB to make advances in favor of Arthaland for the alleged purchase by Arthaland of one of EIB's non-performing assets in the sum of ₱13 million. All respondents denied PDIC's charges against them in their respective counter-affidavits.

In March 2017, the DOJ charged Mr. González and Ms. Maala, among other respondents in this case, for violation of Sec. 21(f)(10) of R.A. No. 3591, as amended, while the charges for the violation of Article 315 of the Revised Penal Code in relation to Presidential Decree No. 1689 were dismissed. Mr. González and Ms. Maala filed their respective Motions for Partial Reconsideration in December 2018, and in February 2019, the DOJ dismissed altogether the criminal complaint against the respondents for violation of Sec. 21(f)(10) of R.A. No. 3591, as amended. PDIC filed a Petition for Review of the said dismissal before the Office of the DOJ Secretary on 14 May 2019 and there is no decision on the matter to date.

On the other hand, in May 2017, the BSP issued a Decision formally charging Mr. González, Ms. Maala and the other respondents for committing irregularities under Section 37 of R.A. No. 7653 and unsafe or unsound banking practices under Section 56 of R.A. No. 8791 in relation to Section 37 of R.A. No. 7653. On 11 July 2024, the BSP issued Resolution No. 808 dismissing the administrative charges against Ms. Maala but held Mr. González and other respondents liable and imposed on each of them a fine of ₱20,000.00 and the penalty of suspension if the offender is a director or officer of a bank, quasi-bank or trust entity⁹. After BSP denied the respondents' Motion for Reconsideration on 28 November 2024, they filed on 20 December 2024 a Petition for Review under Rule 43 of the Rules of Court with an Urgent Application for Temporary Restraining Order and/or Writ of Preliminary Injunction which remains pending to date.

g. Certain Relationships and Related Transactions

In the regular conduct of its business, Arthaland and its subsidiaries enter into intercompany transactions, primarily advances by Arthaland to a subsidiary which are necessary to carry out the latter's functions, subject to liquidation and reimbursements for expenses. Arthaland ensures that while these transactions are made substantially on the same terms as with other individuals and businesses with comparable risks, they are fair and treated at arm's length.

Except for the foregoing and related disclosures on intercompany transactions between Arthaland and its subsidiaries for the period covered by this Information Statement as further discussed in the audited and interim financial statements hereto attached as an integral part hereof, there are no other transactions (or series of similar transactions) with or involving any of Arthaland's subsidiaries, affiliates or related companies in which a director or an executive officer or a stockholder who owns ten percent (10%) or more of Arthaland's total outstanding shares, or member/s of their immediate family, had or is to have a direct or indirect material interest.

Further, no director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of Arthaland because of a disagreement on matters relating to its operations, policies, and practices.

⁹ Since respondents are no longer with EIB, and assuming they are no longer connected with any financial institution, the penalty of suspension shall still attach should they subsequently return or join any financial institution supervised by the BSP.

ITEM 6. Compensation of Directors and Executive Officers

a. Compensation of Directors and Executive Officers

Section 10, Article III of Arthaland’s By-laws provides that the “Board of Directors is empowered and authorized to fix and determine the compensation of its members, including profit sharing and other incentives, subject to the limitations imposed by law.”

Beginning June 2016, the per diem given to each director for each meeting of the Board (special or regular) attended was increased to ₱75,000.00 for independent directors and ₱10,000.00 for regular directors, except for the Chairman of the Board who receives ₱100,000.00. In May 2023, the per diem for regular directors was increased to ₱15,000.00 for each Board meeting attended.

Each director is also paid a per diem for each committee meeting he attends, of which he is a member. The per diem for committee meetings was also increased from ₱2,500.00 to ₱7,500.00 in May 2023. These committees are the Executive Committee, the Audit and Risk Committee, the Stock Option and Compensation Committee, and the Governance and Nomination Committee.

The current members of Arthaland’s various committees are:

Audit and Risk Committee	Hans B. Sicat, Chairman Denise Loreena V. de Castro ¹⁰ Andres B. Sta. Maria
Stock Option and Compensation Committee	Jaime C. González, Chairman Denise Loreena V. de Castro ¹¹ Ricardo Gabriel T. Po
Governance and Nomination Committee	Ricardo Gabriel T. Po, Chairman Hans B. Sicat Andres B. Sta. Maria
Executive Committee	Jaime C. González, Chairman Ricardo Gabriel T. Po, Vice Chairman Jaime Enrique Y. González Christopher Paulus Nicolas T. Po Cornelio S. Mapa, Jr.

Section 7, Article IV, in turn, provides that the “Chairman, or such other officer(s) as the Board of Directors may authorize, shall determine the compensation of all the officers and employees of the Corporation. xxx”

The compensation of Arthaland’s directors for the last two years and the number of board meetings they attended in 2025 are as follows:

<u>Name of Director</u>	<u>Board meetings attended in 2025</u>	<u>2025 (₱)</u>	<u>2024 (₱)</u>

¹⁰ See Footnote 7.

¹¹ *Ibid.*

Ernest K. Cuyegkeng	12/12	1,200,000.00	1,000,000.00
Denise Loreena V. de Castro	12/12	952,500.00	892,500.00
Jaime C. González	12/12	180,000.00	187,500.00
Jaime Enrique Y. González	9/12	135,000.00	150,000.00
Cornelio S. Mapa, Jr.	12/12	180,000.00	135,000.00
Christopher Paulus Nicholas T. Po	12/12	180,000.00	165,000.00
Ricardo Gabriel T. Po	9/12	135,000.00	180,000.00
Hans B. Sicat	11/12	825,500.00	810,000.00
Andres B. Sta. Maria	12/12	952,500.00	892,500.00
Total		4,740,500.00	4,427,500.00

The compensation of Arthaland’s officers and other employees for the last two years is as follows:

2025

	<u>Salary</u> ¹²	<u>Bonus</u>	<u>Others</u>
Executives ¹³ includes Jaime C. González, <i>Vice Chairman and President</i> , and the four highest compensated officers: i. Cornelio S. Mapa, Jr., <i>Treasurer and Executive Vice President</i> ii. Christopher G. Narciso ¹⁴ , <i>Executive Vice President</i> iii. Sheryll P. Verano, <i>Head, Strategic Funding and Investments</i> , and iv. Marivic S. Victoria, <i>Chief Finance Officer</i>	₱145.17M	None	None
<u>Officers (As a group unnamed)</u> ¹⁵	₱125.86M	₱8.32M	None

2024

	<u>Salary</u> ¹⁶	<u>Bonus</u>	<u>Others</u>
Executives ¹⁷ includes Jaime C. Gonzalez, <i>Vice Chairman and President</i> , and the four highest compensated officers: v. Cornelio S. Mapa, Jr., <i>Treasurer and Executive Vice President</i> vi. Christopher G. Narciso, <i>Executive Vice President</i>	₱136.10M	₱18.39M	None

¹² Rounded-off.

¹³ Includes all employees with the rank of Vice President and higher.

¹⁴ Resigned as of 12 January 2026.

¹⁵ Includes all employees with the rank of Manager up to Senior Assistant Vice President.

¹⁶ Rounded-off.

¹⁷ Includes all employees with the rank of Vice President and higher.

vii. Sheryll P. Verano, <i>Head, Strategic Funding and Investments</i> , and viii. Marivic S. Victoria, <i>Chief Finance Officer</i>			
<u>Officers</u> (As a group unnamed) ¹⁸	₱106.47M	₱13.89M	None

Estimated Compensation for 2026 (Collective)

	<u>Salary</u> ¹⁹	<u>Bonus</u>	<u>Others</u>
Directors and Executives	₱149.13M	None ²⁰	None
Officers (As a group unnamed)	₱134.59M		

b. Standard Arrangement/Material Terms of Any Other Arrangement/Terms and Conditions of Employment Contract with Above Named Corporate/Executive Officers

In ALCO's annual meeting held on 16 October 2009, the stockholders representing more than sixty-seven percent (67%) of all its issued and outstanding common shares which are entitled and qualified to vote approved the 2009 ALCO Stock Option Plan. The total amount of shares which were available for issuance under the plan amounted to 10% of ALCO's total outstanding capital stock at any given time and was equivalent to 531,809,519 shares. The Stock Option and Compensation Committee consisting of at least three (3) directors, one (1) of whom was an independent director, was tasked to administer the implementation of this plan. The SEC approved the 2009 Stock Option Plan on 05 November 2010.

Qualified employees eligible to participate under the plan are (i) members of the Board, with the exception of the independent directors; (ii) President and CEO and other corporate officers, which include the Corporate Secretary and the Assistant Corporate Secretary; (iii) Employees and Consultants who are exercising managerial level functions or are members of the Management Committee; and (iv) Executive officers assigned to ALCO's subsidiaries or affiliates²¹.

The Stock Option and Compensation Committee is empowered to determine to whom the Options are to be granted, determine the price the Option is to be exercised (which in no case shall be below the par value of ALCO's common stock), decide when such Option shall be granted and its effectivity dates, and determine the number and class of shares to be allocated to each qualified employee. The Committee will also consider at all times the performance evaluation of the qualified employee and/or the result of the achievement of the objectives of ALCO each year.

The Option Period during which the qualified employee may exercise the option to purchase such number of shares granted will be three (3) years starting with the full year vesting in accordance with the following schedule:

- (i) Within the first twelve (12) months from Grant Date - up to 33.33%
- (ii) Within the 13th to the 24th month from Grant Date - up to 33.33%
- (iii) Within the 25th to 36th month from Grant Date - up to 33.33%.

¹⁸ Includes all employees with the rank of Manager up to Senior Assistant Vice President.

¹⁹ Rounded-off.

²⁰ Whether bonuses will be given in 2026 is uncertain at this time.

²¹ ALCO must have at least 50% equity holdings of said subsidiary or affiliate.

On the Exercise Date, the qualified employee should pay the full Purchase Price or in such terms as may be decided upon by the Stock Option and Compensation Committee.

In 2010, options equivalent to 164,800,000 were granted but none of the qualified employees exercised their respective rights until the period within which they can do so expired in October 2012.

On 14 December 2018, ALCO's Board of Directors approved granting options equivalent to not more than 90.0 million common shares to its qualified employees as defined above. The Stock Option and Compensation Committee was tasked to administer the implementation of this grant, which will include to whom and when the options are to be granted and the effectivity dates thereof, and the number and class of shares to be allocated to each qualified employee, after considering the performance evaluation of said qualified employees vis-à-vis the result of the achievement of ALCO's objectives for 2018.

The Stock Option and Compensation Committee initially pegged the price the option is to be exercised at the five-day volume weighted average price per share beginning 17 December 2018, or until 21 December 2018. Said price was at ₱0.85 per share.

Although the price of the options granted as abovementioned was reduced to ₱0.50 per share on 25 March 2020, none of the qualified employees exercised their respective rights until the period within which they could do so expired in February 2022.

The term of the 2009 ALCO Stock Option Plan expired in October 2019. A new plan, *i.e.* the 2020 ALCO Stock Option Plan which has substantially the same terms as the 2009 plan was presented during the Annual Stockholders Meeting on 26 June 2020 and stockholders representing at least sixty-seven percent (67%) of the outstanding common shares which are entitled and qualified to vote at the time approved the same.

An application was subsequently filed with the Markets and Securities Regulation Department (MSRD) of the SEC for exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan. However, the MSRD directed the reduction of the shares allocated as option shares from 10% to 5%. Accordingly, the Board of Directors during the joint Board and Stock Option and Compensation Committee meeting held on 22 March 2023 approved the proposed amendments of the Stock Option and Compensation Committee to the 2020 Stock Option Plan where the percentage of shares to be allocated as option shares was reduced from 10% to 5% of the outstanding common stock, or from 531,809,519 to just 265,904,760 common shares, provided that ALCO reserves its right to subsequently increase the allocated number of option shares in accordance with the Securities Regulation Code.

No option shares have been granted by the Corporation to any of its employees under the 2020 Stock Option Plan, as amended pursuant to the directive of the MSRD. Once the Stock Option and Compensation Committee makes a determination to grant option shares to qualified employees, including the final terms thereof which are required for the re-filing of the application,²² an application will be filed anew with the SEC for exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan.

The closing price of Arthaland's common shares as of 30 April 2026 is ₱0.425 per share.

ITEM 7. Independent Public Accountant

²² These include the price at which the option is to be exercised (which in no case shall be below the par value of ALCO's common stock), the grant date and effectivity dates, the specific employees who will qualify for the options, and the number and class of shares to be allocated to each qualified employee.

Article V of ALCO’s By-laws provides, among others, that the External Auditor shall be appointed by its Board of Directors and shall receive such compensation or fee as may be determined by the Chairman or such other officer(s) as the Board of Directors may authorize.

Reyes Tacandong & Co. (RT&Co) was first appointed as ALCO’s external auditor in 2012 and remains such to date. Ms. Carolina P. Angeles was the Certifying Partner for the years 2012-2016 and for the years 2024-2025. Ms. Michelle R. Mendoza-Cruz was the Certifying Partner for the years 2017-2023.

ALCO has not had any disagreement with its external auditor.

Fees and Other Arrangements

The external auditor’s fees are based on the estimated time that would be spent on an engagement and ALCO is charged on the experience level of the professional staff members who will be assigned to work for the purpose and generally, on the complexity of the issues involved and the work to be performed, as well as the special skills required to complete the work.

The fees of RT&Co insofar as ALCO is concerned are as follows:

<u>Audit and Non-audit Fees</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total Audit Fees	₱6.20 MM	₱5.67 MM	₱4.37 MM
Non-audit service fees			
Other assurance services ²³	–	3.50 MM	0.25 MM
Tax services ²⁴	–	0.89 MM	–
All other services ²⁵	0.70 MM	0.54 MM	0.18 MM
Total Non-Audit Fees	₱0.70 MM	₱4.93 MM	₱0.43 MM
Total Audit and Non-Audit Fees	₱6.90 MM	₱10.60 MM	₱4.80 MM

The foregoing fees are all exclusive of value added tax.

ITEM 8. Compensation Plans

As stated in Item 6b above, Arthaland made available to its qualified employees in 2009 a stock option plan wherein they can enjoy the benefits of ownership of Arthaland and thereby increase their concern for its long-term progress and well-being, induce their continued service and stimulate their efforts towards the continued success thereof (the “2009 Stock Option Plan”). However, none of these qualified employees exercised their respective stock option rights until the period within which they can do so expired in October 2012.

On 14 December 2018, the Board of Directors again approved granting options equivalent to not more than 90.0 million common shares to its qualified employees. However, none of these qualified employees exercised their respective rights until the period within which they can do so expired in February 2022.

The validity of the 2009 Stock Option Plan expired on 16 October 2019.

²³ Relates to the listing of Preferred Shares Series F and the Green Bonds issuance and subsequent allocation reporting.

²⁴ Fees for transfer pricing study.

²⁵ Refers to fees for Use of Proceed certifications for the Green Bonds Tranche 2 and Preferred Shares Series D (2024) and Series F (2025), and Amendment of the Articles of Incorporation (Decrease of authorized capital stock).

The 2020 Stock Option Plan which has substantially the same terms as the 2009 plan was presented during the Annual Stockholders Meeting on 26 June 2020, and stockholders representing at least sixty-seven percent (67%) of the outstanding common shares which are entitled and qualified to vote approved the same.

An application was subsequently filed with the SEC for exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan.

Following the directive of the Markets and Securities Regulation Department of the SEC, ALCO's Board of Directors during its joint meeting with the Stock Option and Compensation Committee held on 22 March 2023, approved the amendments proposed by the latter to the 2020 Stock Option Plan to reduce the percentage of shares to be allocated as option shares from 10% to 5% of the outstanding capital stock, or from 531,809,519 to just 265,904,760 common shares, provided that Arthaland reserves its right to subsequently increase the allocated number of option shares in accordance with the Securities Regulation Code.

No option shares have been granted by the Corporation to any of its employees under the 2020 Stock Option Plan, as amended pursuant to the directive of the MSRDR. Once the Stock Option and Compensation Committee makes a determination to grant option shares to qualified employees, including the final terms thereof which are required for the re-filing of the application,²⁶ an application will be filed anew with the SEC for exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

No action will be taken during the Annual Stockholders Meeting with respect to the Authorization or Issuance of Securities Other than for Exchange (**Item 9**); Modification or Exchange of Securities (**Item 10**); Financial and Other Information (**Item 11**); Mergers, Consolidations, Acquisitions and Similar Matters (**Item 12**); Acquisition or Disposition of Property (**Item 13**); or Restatement of Accounts (**Item 14**).

D. OTHER MATTERS

ITEM 15. Action With Respect to Reports

Management will present during the Annual Stockholders Meeting the financial report of Arthaland as of 31 December 2025 and its quarterly report as of the first quarter of 2026. Copies of these financial reports are attached to this Information Statement and made integral parts hereof. They are also available in the Corporation's website at www.arthaland.com.

The Minutes of the Annual Stockholders' Meeting held on 27 June 2025 whereby the following matters were taken up will also be submitted for approval of the stockholders:

1. Call to Order
2. Secretary's Proof of Due Notice of the Meeting and Determination of Quorum
3. Approval of Minutes of Annual Stockholders Meeting held on 28 June 2024

²⁶ These include the price at which the option is to be exercised (which in no case shall be below the par value of ALCO's common stock), the grant date and effectivity dates, the specific employees who will qualify for the options, and the number and class of shares to be allocated to each qualified employee.

4. Notation of Management Report
5. Ratification of Acts of the Board of Directors and Management During the Previous Year
6. Approval of Proposed Amendment of Article SEVENTH of Articles of Incorporation – Decrease in Authorized Capital Stock by ₱10.0M
7. Election of Directors (including Independent Directors)
8. Appointment of External Auditor for 2025
9. Other Matters
10. Adjournment

A copy of the foregoing minutes is available in www.arthaland.com.

Stockholders representing the minimum percentage of outstanding capital stock as provided by applicable laws and regulations shall have the right to include additional items on the agenda of the Annual Stockholders Meeting, provided that the stockholder exercising this right shall act in good faith and for a legitimate purpose.

There is no other matter with respect to Reports for which the appropriate action by the stockholders is required will be presented.

ITEM 16. Matters Not Required To Be Submitted

There is no matter not required to be submitted to the stockholders that will be presented at the Annual Stockholders Meeting.

ITEM 17. Amendment of Charter, By-Laws or Other Documents

The stockholders will not be asked during the Annual Stockholders' Meeting to approve amendments to the Articles of Incorporation or By-laws of Arthaland.

ITEM 18. Other Proposed Action

The ratification of the appointment of RT&Co as External Auditor of Arthaland for 2026 will be taken up at the Annual Stockholders' Meeting.

ITEM 19. Voting Procedures – Voting for Corporate Actions

a. Voting for Corporate Actions

Voting on matters submitted for stockholders' approval during the Annual Stockholders Meeting shall be done in accordance with SEC Memorandum Circular No. 6, Series of 2020 dated 12 March 2020²⁷ which provides the guidelines on voting through proxy, remote communication or *in absentia*, and shall be supervised by the designated staff of RT&Co and BDO Unibank, Inc.-Trust and Investments Division, the External Auditor and the Stock and Transfer Agent for Common shares of Arthaland, respectively.

In the course of the meeting, a poll will be shown on the screen for each matter submitted for approval by the stockholders and the latter will be given a few seconds to click the button of their choice indicating their vote. For stockholders who submit proxies ahead of the meeting, their votes will be reflected on record according to such proxies. The votes will be tallied thereafter by Arthaland's External Auditor and Stock and Transfer Agent.

²⁷ Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

All items in the Agenda for the upcoming Annual Stockholders Meeting will require only the approval of the stockholders owning at least the majority of the outstanding Common stock entitled to vote and duly represented to approve the proposed actions.

b. Nominations and Voting for the Election of Directors

- (1) Section 4, Article II of the By-laws provides that at “all stockholders’ meetings, every stockholder shall be entitled to one (1) vote for each share of voting stock standing in his name in the proper books of the Corporation at the time of closing thereof for the purpose of the meeting.”
- (2) No nominations from the floor during the stockholders’ meeting shall be allowed or recognized.
- (3) For the purpose of electing directors, the system of cumulative voting shall be followed as provided under Section 4, Article II of the By-laws, to wit:

“At all stockholders’ meetings, every stockholder entitled to vote in accordance with Section 4 of Article VI of these By-laws shall be entitled to one (1) vote for each share of voting stock standing in his name in the proper book of the Corporation at the time of closing thereof for the purpose of the meeting.

“The right to vote of stockholders may be exercised in person, through proxy or remote communication, *in absentia*, or through such alternative modes as may be provided by applicable laws and regulations.

“At every election of directors, each stockholder entitled to vote during the meeting in accordance with Section 4 of Article VI of these By-laws is entitled to one (i) vote for each share of stock held by him for as many persons as there are directors to be elected, or to cumulate said shares and give one (1) candidate as many votes as the number of directors multiplied by the number of his share shall equal, or to distribute such votes on the same principle among as many candidates as he shall think fit.”

The total number of votes to be cast by the stockholder must not exceed the number of shares owned by him/it as shown in the books of Arthaland multiplied by the whole number of directors to be elected. Nominees receiving the highest number of votes shall be declared elected pursuant to Section 23 of the Revised Corporation Code.

- (4) Voting for the election of Directors shall be done in accordance with SEC Memorandum Circular No. 6, Series of 2020 dated 12 March 2020 and such internal procedures issued pursuant thereto. A poll will be shown on the screen, and the stockholders will be given a few seconds to click the button of their choice indicating their vote. For stockholders who submit proxies instead, their votes will be reflected on record according to such proxies. The votes will be tallied thereafter by Arthaland’s External Auditor and Stock and Transfer Agent.

- Signature page follows. -

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Information Statement is true, complete and correct. This is signed on the date and place indicated below.

ARTHALAND CORPORATION

By:



RIVA KHRISTINE V. MAALA

Corporate Secretary and General Counsel

SUBSCRIBED AND SWORN to before me this **19 May 2026** at **Taguig City, Philippines**, affiant exhibiting to me her **Passport Number P4663090B** issued on **03 February 2020** by the Department of Foreign Affairs-NCR East, Philippines.

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Book No. 27

Series of **2026**.

GAUDENCIO A. BARBOZA JR.

NOTARY PUBLIC

UNTIL DEC 31, 2026

PTR # A-6161296 / JAN 5, 2026 TAGUIG CITY

IBP No. 534380 / 12/02/25 RSM (FOR YR. 2026)

ROIL No. 41969

MCLE COMP NO. VIII No. 0040608

SEPTEMBER 3, 2025

APP NO. 29 (2025-2026)

Attachments:

Management Report

Certifications of Independent Directors

- a. Ms. Eleanor M. Hilado, and
- b. Ms. Rona C. Torres-Tan

Audited Financial Statements for 2025 (including Statement of Management Responsibility)

SEC Form 17-Q (First Quarter 2026)

UNDERTAKING

ARTHALAND CORPORATION undertakes to provide, without charge, copies of this Information Statement (SEC Form 20-IS) and all its attachments, as well as its Annual Report (SEC Form 17-A) to any person soliciting a copy thereof upon written request addressed to the Corporate Secretary with principal office address at the 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634 Philippines.

BUSINESS AND GENERAL INFORMATION

a. Business Development

ARTHALAND CORPORATION (ALCO or the “Company”) is a world-class boutique real estate developer of enduring and sustainable properties recognized internationally as the best green residential and commercial developments. It is the recipient of various awards in the Philippines and internationally. It has built its mark in the Philippine real estate market with its unwavering commitment to sustainability and innovation, and by developing and managing world-class properties that adhere to the global and national standards in green buildings.

ALCO was incorporated on 10 August 1994¹ for the primary purpose of engaging in the realty development business, including home building and development, and to deal, engage, invest and transact, directly or indirectly, in all forms of business and mercantile acts and transactions concerning all kinds of real property, including but not limited to the acquisition, construction, utilization and disposition, sale, lease, exchange or any mode of transfer of residential, industrial or commercial property. Its principal office is at the 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City (BGC), Taguig City 1634.²

In 2007, a group of investors led by AO Capital Holdings 1, Inc. (AOCH1), an investment company specializing in investing in business opportunities in the Philippines, acquired 73.27% of ALCO’s then outstanding capital stock, marking the beginning of its renewed focus in real estate development.

The year 2011 marked the entry into ALCO of CPG Holdings, Inc. (CPG), a subsidiary of leading food manufacturer Century Pacific Food, Inc., which is listed with the Philippine Stock Exchange (PSE) under the stock symbol “CNPF”, through the acquisition of 1,800,000,000 ALCO common shares. In 2014, CPG purchased an additional 342,619,910 ALCO common shares.

On 22 September 2016, ALCO’s authorized capital stock was increased³ to ₱2,996,257,135.82 divided into ₱2,946,257,135.82 of Common shares (consisting of 16,368,095,199 Common shares with a par value of ₱0.18 per share), and ₱50,000,000.00 of redeemable, non-voting and non-participating Preferred shares (consisting of 50,000,000 Preferred shares with a par value of ₱1.00 per share).

Of the ₱50,000,000.00 increase in capital stock, ALCO issued 12,500,000 cumulative, non-voting, non-participating, non-convertible Peso-denominated Preferred shares to Manchesterland Properties, Inc. (the “Preferred Shares Series A”), and 20,000,000 Preferred shares which are likewise cumulative, non-voting, non-participating, non-convertible and Peso-denominated, among other conditions, to the public (the “Preferred Shares Series B”).

In June 2019, ALCO again issued to the public 10,000,000 Preferred shares which are also cumulative, non-voting, non-participating, non-convertible, and Peso-denominated, among other conditions (the “Preferred Shares Series C”).

¹ The company was originally registered as Urbancorp Realty Developers, Inc. but was renamed in 2003 as EIB Realty Developers, Inc. On 26 January 2009, the Securities and Exchange Commission (SEC) approved anew the change of the corporate name to Arthaland Corporation (ALCO).

² Approved by the SEC on 04 September 2018.

³ The authorized capital stock was originally ₱2,946,257,135.82 only divided into 16,368,095,199 Common shares at a par value of ₱0.18 per share.

On 03 December 2021, ALCO issued once more to the public 6,000,000 Preferred shares, which are similarly cumulative, non-voting, non-participating, non-convertible, and Peso-denominated, among other conditions (the “Preferred Shares Series D”).

On 06 December 2021, ALCO redeemed all the outstanding 20,000,000 Preferred Shares Series B. These were cancelled and thereafter recorded as treasury shares of the Company pursuant to the 2016 Terms of the Offer for the said shares.

During the Annual Stockholders’ Meeting on 24 June 2022, stockholders holding at least two-thirds (2/3) of the outstanding shares of ALCO approved the amendment of Article Seventh of its Articles of Incorporation by reducing the authorized capital stock by ₱20,000,000.00 resulting from the redemption and subsequent cancellation of the 20,000,000 Preferred Shares Series B.

With such approval, ALCO’s authorized capital stock was in effect reduced from ₱2,996,257,135.82 to ₱2,976,257,135.82 divided into ₱2,946,257,135.82 of common shares consisting of 16,368,095,199 common shares with a par value of ₱0.18 per share, and ₱30,000,000.00 of preferred shares consisting of 30,000,000 preferred shares with a par value of ₱1.00 per share.

During the Special Stockholders’ Meeting of ALCO held on 31 January 2024, stockholders representing at least sixty-seven percent (67%) of the outstanding common and preferred shares which were then entitled and qualified to vote approved and ratified the foregoing decrease of ALCO’s authorized capital stock by ₱20,000,000.00 and subsequently approved the proposal to amend Article Seventh of the Articles of Incorporation anew by increasing the authorized capital stock by ₱50,000,000.00 with the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share.

Accordingly, the total authorized capital stock of ALCO became ₱3,026,257,135.82 divided into ₱2,946,257,135.82 of common shares consisting of 16,368,095,199 common shares with a par value of ₱0.18 per share, and ₱80,000,000.00 of preferred shares consisting of 80,000,000 preferred shares with a par value of ₱1.00 per share.

For purposes of implementing the foregoing increase of ALCO’s authorized capital stock, the Board of Directors, during a meeting also held on 31 January 2024, approved the issuance to Manchesterland Properties, Inc. of 14,000,000 Preferred shares which are cumulative, non-voting, non-participating, non-convertible and Peso-denominated, among other conditions, at an offer price of ₱1.00 per share (the “Preferred Shares Series E”), where 1,500,000 preferred shares were taken from the unissued capital stock at the time, and 12,500,000 preferred shares will come from the increase of 50,000,000 preferred shares upon approval by the Securities and Exchange Commission (SEC) of the amendment of ALCO’s Article Seventh of its Articles of Incorporation.

On 27 June 2024, ALCO redeemed all the outstanding 10,000,000 Preferred Shares Series C. These were cancelled and were recorded as treasury shares of the Company pursuant to the 2019 Terms of the Offer for the said shares.

On 14 August 2024, the SEC approved the amendments to ALCO’s Articles of Incorporation – first, the decrease of the authorized capital stock by ₱20,000,000.00 resulting from the redemption and subsequent cancellation of the 20,000,000 Preferred Shares Series B, and thereafter, the increase of the same by ₱50,000,000.00 with the creation of 50,000,000 preferred shares with a par value of ₱1.00 per share.

On 14 November 2024, ALCO issued to the public 4,964,860 Preferred shares, which are cumulative, non-voting, non-participating, non-convertible, and Peso-denominated, among other conditions (the “Preferred Shares Series F”).

On 27 June 2025, stockholders representing at least sixty-seven percent (67%) of the ALCO’s outstanding common and preferred shares entitled and qualified to vote approved the amendment of Article SEVENTH of the Articles of Incorporation by decreasing the authorized capital stock by ₱10,000,000.00 which corresponds to the Preferred Shares Series C redeemed on 27 June 2024. On 18 March 2026, the SEC approved the amendments to ALCO’s Articles of Incorporation reflecting this decrease.

As of the date of this Report, the total authorized capital stock of ALCO is ₱3,016,257,135.82 divided into ₱2,946,257,135.82 of common shares consisting of 16,368,095,199 common shares with a par value of ₱0.18 per share, and ₱70,000,000.00 of preferred shares consisting of 70,000,000 preferred shares with a par value of ₱1.00 per share.

All of ALCO’s issued and outstanding common shares, and Preferred Shares Series D and Series F are listed with and traded in the PSE with trading symbols “ALCO”, “ALCPD” and “ALCPF”, respectively. The PSE has delisted from its platform Preferred Shares Series B and Series C with the trading symbols “ALCPB” and “ALCPC”.

Also, CPG and AOCI continue to be the largest stockholders of ALCO with 40.29% and 26.02%, respectively, of the total issued and outstanding shares.

b. Business/Projects

ALCO’s main business activity is the development of premium, enduring and sustainable properties by bringing together a brain trust of experts in property development and management. It is focused on pursuing its unique developments independently and with its joint venture partners, as exemplified by its key projects and developments in the pipeline, to wit:

<u>Project Name</u>	<u>GFA⁴</u> <u>(in</u> <u>square</u> <u>meters</u> <u>[sqm])</u>	<u>NLA⁵/</u> <u>NSA⁶</u> <u>(in sqm)</u>	<u>Location</u>	<u>Development</u> <u>Type</u>	<u>Year or</u> <u>Expected Year</u> <u>of Completion</u>
Arya Residences	76,284	67,876	BGC, Taguig City	Residential	Tower I - 2013 Tower II - 2016
Arthaland Century Pacific Tower	34,295	32,016	BGC, Taguig City	Office	2019

⁴ GFA or Gross Floor Area, which is the total floor space within the perimeter of the permanent external building walls (inclusive of main and auxiliary buildings) such as office areas, residential areas, corridors, lobbies and mezzanine level/s. The GFA also includes building projections which may serve as floors or platforms that are directly connected to/integrated with areas within the building/structure, e.g., balconies, and the GFA excludes the following: (a) Covered areas used for parking and driveways, services and utilities; (b) Vertical penetrations in parking floors where no residential or office units are present; and (c) Uncovered areas for helipads, air-conditioning cooling towers or air-conditioning condensing unit balconies, overhead water tanks, roof decks, laundry areas and cages, wading or swimming pools, whirlpool or jacuzzis, terraces, gardens, courts or plazas, balconies exceeding ten square meters, fire escape structures and the like.

⁵ NLA or Net Leasable Area, which is the total leasable area that includes, but is not limited to, all internal walls, mezzanines, bathrooms, pipe chases, columns and balconies depending on a specific project’s terms of reference.

⁶ NSA or Net Saleable Area, which is the total saleable area that includes, but is not limited to, all internal walls, mezzanines, bathrooms, pipe chases, columns and balconies depending on a specific project’s terms of reference.

Cebu Exchange	108,564	89,018	Salinas Drive, Cebu City	Office	Q2 2022
Savya Financial Center	59,763	49,078	Arca South, Taguig City	Office	North Tower – Q2 2022 South Tower - Q4 2022
Sevina Park	130,976	97,834	Biñan, Laguna	Mixed use	In phases from 2022 onward
Lucima	28,063	21,927	Cebu Business Park, Brgy. Hipodromo, Cebu City	Residential	2027
Sondris (formerly Makati CBD Residential 1)	15,313	11,485	Makati City	Residential	2029
Eluria	14,656	11,729	Makati City	Residential	2025
Project Olive	254,979	187,279	Metro Manila	Mixed Use	In phases from 2029 onward
Project Vanilla ⁷	200,158	144,114	Cebu City	Mixed Use	In phases from 2029 onward

ALCO's firm commitment to sustainability is manifested in its development portfolio which is composed entirely of certified sustainable projects. All its projects adhere to global and national standards for green buildings through the Leadership for Energy and Environmental Design™ (LEED™) rating system of the U.S. Green Building Council (USGBC) and the Building for Ecologically Responsive Design Excellence (BERDE) rating system of the Philippine Green Building Council (PHILGBC). Since 2019, ALCO has expanded its sustainability commitment by pursuing additional green building rating tools, specifically the Excellence in Design for Greater Efficiencies (EDGE) rating system of the International Finance Corporation (IFC), and the WELL Building Standard™ (WELL™) rating system of the International WELL Building Institute (IWBI).

ALCO is well known in the industry for its superior design, high quality standards with focus on sustainability, innovation, and excellent property management services, as seen in the following projects:

Arya Residences (Arya)

Arya is a two-tower, high-end residential condominium development located at the corners of Rizal Drive, 8th Avenue, and McKinley Parkway, BGC, Taguig City. Construction of Arya Tower 1 commenced in 2010 and was completed in 2013, with unit handover to buyers beginning in 2014. Construction of Arya Tower 2 commenced in 2012, with handover to buyers completed in 2016. All residential units in Arya Tower 1 and Tower 2 have been sold. The ground floor of Arya Residences features Arya Plaza, a canopied al fresco retail area with a curated mix of restaurants, cafés, and other establishments. ALCO retains ownership of Arya Plaza and recognizes recurring lease income from its operations.

Arya achieved LEED Gold certification from USGBC in 2016 and BERDE 4-Star certification from PHILGBC in 2018, making it the first dual-certified residential development in the Philippines under these rating systems. In 2020, it achieved a 3-Star certification under PHILGBC's Advancing Net Zero/PH (ANZ/PH)

⁷ Formerly known as Project Midtown.

program. In 2025, Arya earned the Health-Safety Rating from IWBI, reinforcing its commitment to occupant health, safety, and sustainability.

Arya has also received multiple industry recognitions. It was awarded Best Residential Development in the Philippines at the Southeast Asian Property Awards in 2012 and 2013, and Best Residential High-Rise Development in the Philippines at the Asia Pacific Property Awards for 2014-2015. It was likewise recognized at the Philippines Property Awards as Best Residential Development in Manila and Best Residential Architectural Design in 2013 and 2014, while Arya Tower 1 received the award for Best Residential Interior Design in 2014.

Arthaland Century Pacific Tower (ACPT)

ACPT is a 30-story premium-grade office development located at the corners of 5th Avenue, 30th Street, and 4th Avenue in BGC, Taguig City. Designed by Skidmore, Owings & Merrill (SOM), ACPT was initiated by ALCO in 2014, with operations commencing in 2018. ALCO retains ownership of approximately 21,089 sqm of the building, representing about 66% of its NLA.

ACPT achieved LEED Platinum and BERDE 5-Star certifications, the highest ratings under their respective green building standards. In 2019, it achieved EDGE Zero Carbon certification from the IFC, making ACPT the first building in the world to receive such certification. ACPT also achieved the WELL Health-Safety Rating from IWBI, recognizing the building's operational standards for health and safety since 2021.

Other industry recognitions received by ACPT included Best Green Feature Development at the Japan International Property Awards in 2019, and the 5-Star Winner for Best Office Architectural Design in Asia at the Asia Pacific Property Awards in 2017. It also received awards for Best Green Development, Best Office Architectural Design, and Special Recognition for Sustainable Design at the 2016 Southeast Asian Property Awards. In addition, ACPT was recognized as Best Office Development in 2019 and Best Green Development in 2016, 2017, and 2019 at the Philippines Property Awards.

Cebu Exchange (CebEx)

CebEx is a 38-storey office development with retail components located along Salinas Drive, Cebu City, developed on an 8,440-sqm property with a total NSA of approximately 90,000 sqm. The building is designed to serve a broad office market through a three-tier zoning configuration, consisting of large floorplates of approximately 5,900 sqm for BPO locators, mid-sized floorplates of approximately 3,400 sqm for conventional offices and BPOs, and smaller floorplates of approximately 2,200 sqm for start-up enterprises.

CebEx was launched in 2016 and completed in 2023, with a GFA of 108,564 sqm, including four levels of retail. Handover of units was completed in phases, with areas from the basement to the 15th floor delivered beginning September 2020 and areas from the 16th floor to the roof deck delivered beginning April 2022.

CebEx achieved LEED Gold in 2022, and both EDGE Advanced and BERDE 5-Star in 2023. It also received WELL precertification in 2020 and has achieved the WELL Health-Safety Rating since 2022. In 2025, CebEx achieved EDGE Zero Carbon certification, making it the world's largest single-tower project to receive such certification.

Sevina Park

Sevina Park is an 8.1-hectare integrated, master-planned community located at the corner of Cecilia Araneta Parkway and University Road in Biñan, Laguna. Masterplanned by Sasaki Associates, Sevina Park comprises residential villas (Sevina Park Villas), mid-rise residential buildings (Una Apartments), commercial developments, retail spaces, and supporting amenities. Sevina Park is being developed in phases in line with market demand and infrastructure growth in the area and benefits from improved accessibility through the Cavite-Laguna Expressway (CALAX), which connects to the Manila-Cavite Expressway (CAVITEX) and South Luzon Expressway (SLEX).

Sevina Park achieved LEED Platinum certification under the LEED for Neighborhood Development (LEED ND) rating system in 2020 and BERDE 5-Star certification under the BERDE for Districts rating system in 2022. Sevina Park includes several components, namely:

- (i) Courtyard Hall, a 348-bed dormitory located on an approximately 4,000 sqm lot within Sevina Park, commenced operations in 2019 and primarily serves students, faculty, and staff of De La Salle University Laguna.
- (ii) Sevina Park Villas, launched in June 2019, is a low-density residential development occupying approximately 3 hectares and comprising 108 villas designed by Leandro V. Locsin and Partners. Development of Sevina Park Villas is being undertaken in phases from 2021 to 2026; the four-bedroom villa model unit achieved LEED Platinum certification in 2020, all four-bedroom villas are undergoing LEED certification, and all villa types achieved EDGE Advanced preliminary certification in 2025.
- (iii) Una Apartments was launched in September 2022. Tower 1 is designed for resource efficiency, enhanced indoor air quality, and wellness-focused living, and targets LEED, BERDE, EDGE, and WELL certifications, with completion expected by Q4 of 2026. Tower 2 was launched in 2023, while Tower 3 was launched in 2025. Additional residential developments are planned within Sevina Park.
- (iv) Sevina Park also includes six commercial blocks with an average lot size of approximately 2,500 sqm. Selected blocks are planned for development into neighborhood-serving retail spaces, including a supermarket and boutique establishments.

Savya Financial Center (SFC)

SFC is a two-tower commercial development located within Arca South, Taguig City, on an approximately 6,000-sqm lot acquired in 2017 by ALCO together with its Filipino joint venture partner. It is strategically positioned at the corner of Pulse Street, Anchor Street, and Tandem Road and is expected to benefit from improved accessibility driven by major infrastructure developments, including direct access to C-5 and Skyway, the proposed Taguig Integrated Transport Exchange, and the Metro Manila Subway, with a station located within Arca South.

SFC has a GFA of 59,763 sqm, with the North Tower handed over in January 2022, consistent with pre-pandemic delivery timelines, while the South Tower was inaugurated in October 2023.

Savya achieved multiple certifications, including BERDE 5-Star certification in 2026 and WiredScore Gold certification in 2024. It has also received LEED Gold precertification and WELL precertification in 2021, EDGE Advanced preliminary certification in 2024, and WELL Health-Safety Rating since 2024.

Lucima

Lucima is a high-rise residential development located at the corner of Samar Loop Road and Cardinal Rosales Avenue in Cebu Business Park, developed on a 2,245-sqm lot that ALCO acquired in August 2019 through its special purpose company, Bhavana Properties, Inc.

Designed by Saraiva & Associados, an architectural firm based in Lisbon, Portugal, Lucima comprises 265 residential units with a GFA of approximately 28,000 sqm. Units are designed with a floor-to-ceiling height of approximately 2.9 meters and offer views of the ocean, mountains, or city. Lucima was launched in July 2021 and has received strong market reception since then.

Lucima received LEED Gold precertification in 2020 and is targeting BERDE, EDGE, and WELL certifications, as it is envisioned as a multi-certified sustainable high-rise residential development.

Eluria

Eluria is a low-density, ultra-luxury residential development located on a 916-sqm lot at the corner of Rada and Rodriguez Streets in Legazpi Village, Makati City, which ALCO acquired in 2020 through its special purpose company, Bhavya Properties, Inc.

Designed by FMB Architects, a Sydney-based architectural firm, Eluria was launched in 2022 and comprises 37 residential units with a GFA of approximately 14,600 sqm. Eluria is designed to offer premium residential features and amenities, which include white-glove butler services.

Eluria received LEED Gold precertification in 2020 and is targeting EDGE, WELL, and BERDE certifications.

LIV

LIV is a planned two-tower high-rise residential condominium development located on a 3,700-sqm lot along Katipunan Avenue, Barangay Loyola Heights, Quezon City, acquired by ALCO through its special purpose company, Sotern Land Corporation. LIV is intended to expand ALCO's residential portfolio by offering sustainably designed products to a broader market segment. The first tower, LIV North was launched in August 2025 and is expected to be completed by 2031.

LIV is designed as a sustainable residential community and is targeting LEED, EDGE, WELL, and BERDE certifications.

Sondris (formerly Makati CBD Residential Project 1)

Sondris is a planned high-rise luxury residential development by Zileya Land Development Corporation, located on a 2,018-sqm lot along Antonio Arnaiz

Avenue in Makati City. ALCO initially acquired a 47.4% interest in the property in 2019, with the objective of developing a sustainable, multi-certified residential development, and completed the acquisition of the remaining interest in June 2025. Sondris was subsequently launched in February 2026.

Sondris is designed as a sustainable residential development and is targeting LEED, BERDE, EDGE, and WELL certifications.

Project Olive

Project Olive is a planned boutique, master-planned mixed-use development by ALCO through Pradhana Land Inc., involving the phased acquisition of approximately 3.6 hectares of land located at the entry of a prime CBD in Metro Manila, with an estimated net developable area of 2.6 hectares after road allocations. It is expected to benefit from major upcoming infrastructure developments. Project Olive is intended to be developed as a sustainable community targeting LEED certification and is expected to feature approximately twelve residential towers catering to both upscale and midscale markets, supported by retail and commercial components.

Project Vanilla

Project Vanilla is a mixed-use, master-planned development by ALCO through its wholly owned subsidiary, Furusato Land Corporation, comprising approximately 5 hectares of land along Banilad Road, Cebu City. Furusato holds a 50% interest in Project Vanilla, while the remaining interest is held by third-party co-investors.

Project Vanilla is expected to comprise multiple mixed-use towers, including six residential condominium towers. The residential towers are planned to be launched in phases from 2026 to 2037, with corresponding phased completions beginning in 2031. Project Vanilla is intended to provide a steady pipeline of developments that are expected to contribute to ALCO's revenues over the long term.

Project Vanilla is envisioned as a sustainable community and is targeting LEED certification.

Aside from the projects mentioned above, ALCO is evaluating prospective acquisition targets within the business districts of Makati, BGC and Cebu as well as other emerging locations. ALCO will continue to disclose to its stakeholders, through the PSE and the SEC, material acquisitions as they become final.

What makes ALCO different from other developers is that after a project is completed and/or turned over to the respective buyers or tenants, ALCO continues to provide property management services to the condominium corporation or homeowners association of these developments. Post-completion involvement allows ALCO to maintain a high standard of quality in the maintenance of all its developments for years to come.

c. Subsidiaries

Below are the domestic companies in which ALCO has shareholdings. ALCO has 100% ownership interest in these companies as of 31 December 2025 with the exception of Bhavana Properties, Inc., Bhavya Properties, Inc., Kashtha Holdings, Inc., Savya Land Development Corporation, and Zileya Land Development Corporation.

i. Arthaland Prestige Property Solutions, Inc. (APPS) (formerly Emera Property

Management, Inc.) was incorporated on 31 July 2008.⁸ The SEC approved the change of name to APPS on 25 May 2023.

APPS is the property management arm of ALCO and presently services Arya, ACPT, Cebu Exchange, Courtyard Hall in Sevina Park, and Savva Financial Center. It will likewise manage all succeeding development projects of ALCO to ensure the maintenance of high-quality standards therein.

On 02 February 2024, the SEC approved the amendments to APPS's Articles of Incorporation (a) changing the primary purpose by expanding the company's services to include providing project management, consultancy and other manpower services to property developers, among others, and (b) increasing the authorized capital stock from ₱1,000,000.00 to ₱25,000,000.00 divided into 250,000 common shares with a par value of ₱100.00 per share to enable it to secure the required licenses for such expanded purpose. Of the total subscribed and paid-up capital at ₱7,000,000.00 consisting of 70,000 common shares, ALCO holds 67,500.

- ii. **Bhavana Properties, Inc. (Bhavana)** was incorporated on 15 July 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle ALCO used to purchase a parcel of land with a total area of 2,245 sqm, more or less, located at the corner of Cardinal Rosales Avenue and Samar Loop inside the Cebu Business Park, Cebu City, which is the site of *Lucima*.

Bhavana presently has an authorized capital stock of ₱100,000,000.00 consisting of 50,000,000 common shares and 50,000,000 preferred shares, both with a par value of ₱1.00 per share, with total subscribed and paid-up capital at ₱25,450,000.00. ALCO holds 15,000,000 common shares and 270,000 preferred shares of Bhavana, while Narra Investment Properties Pte. Ltd. ("Narra")⁹ holds 10,000,000 common shares and 180,000 preferred shares.

- iii. **Bhavya Properties, Inc. (Bhavya)** was incorporated on 19 July 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle ALCO used in acquiring the 916 sqm property¹⁰ located at 119 Rada Street, Legaspi Village, Makati City, which is now the site of *Eluria*.

Bhavya presently has an authorized capital stock of ₱100,000,000.00 consisting of 50,000,000 common shares and 50,000,000 preferred shares, both with a par value of ₱1.00 per share, with total subscribed and paid-up capital at ₱27,455,000.00. ALCO holds 15,000,000 common shares and 1,473,000 preferred shares of Bhavya, while Narra¹¹ holds 10,000,000 common shares and 982,000 preferred shares.

- iv. **Cazneau Inc.** was incorporated on 31 July 2008, principally to engage in the realty development business, including, but not limited to, the acquisition, construction, utilization and disposition, sale, lease, exchange or any mode of transfer, of residential, industrial or commercial property. Cazneau acquired the 8.1-hectare property in Biñan, Laguna in September 2016 where *Sevina Park* is currently being developed.

⁸ APPS was originally registered as Technopod, Inc. but was renamed Emera on 30 October 2013.

⁹ Narra is a private limited liability company existing and duly constituted under the laws of Singapore with principal office address at 10 Changi Business Park Central 2 #01-02, Hansapoint, Singapore 486030, and managed by Arch Capital Management Company Limited.

¹⁰ Formerly First Capital Condominium.

¹¹ See Footnote 11.

Cazneau presently has an authorized capital stock of ₱26,000,000.00 divided into ₱1,000,000.00 of common shares (consisting of 10,000 common shares with a par value of ₱100.00 per share) and ₱25,000,000.00 of preferred shares (consisting of 25,000,000 preferred shares with a par value of ₱1.00 per share), with total subscribed and paid-up capital at ₱7,250,000.00 broken down into 10,000 common shares and 6,250,000 preferred shares, all of which belong to ALCO.

- v. **Cebu Lavana Land Corp. (CLLC)** was incorporated on 11 September 2015 to principally engage in the realty development business. It is the vehicle ALCO used to acquire two parcels of adjacent land in Cebu City with a total area of 8,440 sqm on which *Cebu Exchange* now stands.

CLLC presently has an authorized capital stock of ₱200,000,000.00 consisting of 1,500,000 common shares and 500,000 preferred shares, both with a par value of ₱100.00 per share, with total subscribed and paid-up capital at ₱83,333,300.00 broken down into 714,351 common shares and 118,982 preferred shares, all of which belong to ALCO.

In 2022 and 2023, CLLC reclassified portions of CebEx from real estate inventories to investment properties, comprising approximately 13,375 sqm of office units¹², 2,628 sqm of retail units, and 36 non-appurtenant parking slots, for lease to tenants and to generate recurring income.

- vi. **Furusato Land Corporation (Furusato)** was incorporated on 14 May 2025 with the primary purpose of engaging in the realty development business. This is the investment vehicle ALCO used for the acquisition of an undivided interest in 50% of a 5-hectare property in the middle of Banilad Road, Cebu City, which it plans to develop over multiple phases from 2025 to 2034 a sustainable master planned development with commercial, residential and retail components and thereby provide a steady pipeline of projects and contribute to the revenues of ALCO over the long-term.

Furusato is wholly-owned by ALCO and presently has an authorized capital stock of ₱100,000,000.00 consisting of 50,000,000 common shares and 50,000,000 preferred shares, both with a par value of ₱1.00 per share, with total subscribed and paid-up capital at ₱59,500,000.00 broken down into 50,000,000 common shares and 9,500,000 preferred shares.

- vii. **Manchesterland Properties, Inc. (MPI)** was incorporated on 27 March 2008 and was the registered owner of the 6,357-sqm parcel of land located along McKinley Parkway on which Arya Residences now stands, prior to the conveyance of said land in favor of Arya Residences Condominium Corporation in December 2016. It still owns nine (9) commercial units and several parking slots in said development.

MPI has an authorized capital stock of ₱640,000,000.00 consisting of 640,000 common shares with a par value of ₱1,000.00 per share, with subscribed and paid-up capital at ₱635,705,000.00, all of which belong to ALCO.

MPI is also the lone shareholder of ALCO's Preferred Shares Series A and Preferred Shares Series E equivalent to 12,500,000 and 14,000,000, respectively.

- viii. **Pradhana Land, Inc.** was incorporated on 09 September 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle that ALCO

¹² 8,059 sqm in 2022 and 5,316 sqm in 2023.

will use for its succeeding projects, the details of which will be disclosed at the appropriate time.

Pradhana is wholly-owned by ALCO and presently has an authorized capital stock of ₱100,000,000.00 consisting of 50,000,000 common shares and 50,000,000 preferred shares, both with a par value of ₱1.00 per share, with total subscribed capital at ₱42,000,000.00 broken down into 25,000,000 common shares and 17,000,000 preferred shares, and paid-up capital at ₱7,250,000.00 consisting of 6,250,000 common shares and 1,000,000 preferred shares.

- ix. **Savya Land Development Corporation (SLDC)** was incorporated on 10 February 2017 principally to engage in the realty development business. It is the vehicle ALCO used to acquire Lots 9 and 10 in Arca South located in Barangay West Bicutan, Taguig City. In August 2019, the SEC approved SLDC's application to merge with Arcosouth Development, Inc. ("Arcosouth"), with SLDC as the surviving entity. Arcosouth was the registered owner at the time of Lot 11, the lot adjacent to SLDC's Lots 9 and 10. Through this merger, these three (3) lots were developed into a two-tower office development now known as *Savya Financial Center*.

In a shareholders' agreement, it was agreed that SLDC will be owned 50:50 between Kashtha Holdings, Inc. (described below) and the principal shareholder of Arcosouth, Help Holdings, Inc.¹³, such that the former will have 100% of the economic interest in the North Tower of *Savya Financial Center*, while the latter will have 100% economic interest in the South Tower. Under this arrangement, Kashtha Holdings, Inc. is entitled to all the profits from and is responsible only for all the funding requirements of the North Tower of *Savya Financial Center*.

SLDC has an authorized capital stock of ₱200,000,000.00 consisting of 750,000 common Class A shares and 750,000 common Class B shares, both with a par value of ₱100.00 per share, and 50,000,000 preferred shares with a par value of ₱1.00 per share. Its subscribed capital at ₱72,707,253.00 is broken down into 500,000 common Class A shares, 7,500 common Class B shares, and 21,957,253 preferred shares, with paid-up capital at ₱34,707,253.00 consisting of 500,000 common Class A shares and 7,500 common Class B shares, and 21,957,253 preferred shares. To date, Kashtha Holdings, Inc. continues to own 98.5% of SLDC.

In December 2023, SLDC reclassified approximately 4,197.33 sqm of office units and 50 non-appurtenant parking slots in the South Tower from real estate inventories into investment properties for lease to tenants and to generate recurring income. In December 2025, an additional 275 sqm, comprising 22 non-appurtenant parking slots in the South Tower, were similarly reclassified as investment properties.

- x. **Kashtha Holdings, Inc. (KHI)** was incorporated on 01 October 2019 as a joint venture company between ALCO and Mitsubishi Estate Company, Limited (MEC), a corporation duly organized and existing under the laws of Japan¹⁴, for purposes of holding their investment in SLDC.

KHI has an authorized capital stock of ₱50,000,000.00 consisting of 50,000,000 common shares with a par value of ₱1.00 per share, with total subscribed and paid-up capital at ₱12,500,000.00. KHI is 60% owned by ALCO and 40% by MEC.

¹³ HHI is a holding company existing and duly organized under the laws of Philippines with principal office address at the 31st Floor Penthouse, High Street South Corporate Plaza Tower 1, 26th Street, Bonifacio Global City Taguig City 1634.

¹⁴ With address at Otemachi Park Building, 1-1 Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8133 Japan.

- xi. **Sotern Land Corporation (SLC)** was incorporated on 22 April 2024, with the primary purpose of engaging in the realty development business. This is the investment vehicle ALCO used for its residential condominium project along Katipunan Avenue, Quezon City to be known as *LIV*.

SLC presently has an authorized capital stock of ₱100,000,000.00 consisting of 50,000,000 common shares and 50,000,000 preferred shares, both with a par value of ₱1.00 per share, with total subscribed and paid-up capital at ₱30,000,000.00 consisting of 25,000,000 common shares and 5,000,000 preferred shares, all of which presently belong to ALCO.

- xii. **Urban Property Holdings, Inc. (UPHI)** was incorporated on 23 January 1995 and is the registered owner of a 33-hectare property located in Calamba, Laguna, which may be developed in the future subject to market conditions.

UPHI presently has an authorized capital stock of ₱80,000,000.00 consisting of 800,000 common shares with a par value of ₱100.00 per share, with total subscribed and paid-up capital at ₱20,000,000.00 consisting of 20,000,000 common shares, all of which presently belong to ALCO.

- xiii. **Zileya Land Development Corporation (Zileya)** was incorporated on 28 December 2015 with the primary purpose of engaging in the realty development business. This is the investment vehicle ALCO used to initially acquire 47.4% of the property located at 839 Antonio Arnaiz Avenue, Legazpi Village, 1200 Makati City. ALCO completed the acquisition of the said property in November 2025 which will soon be the site for *Sondris* (previously the Makati CBD Residential Project 1).

Zileya has an authorized capital stock of ₱220,000,000.00 consisting of 150,000 common shares and 50,000 preferred shares Series A, both with a par value of ₱100.00 per share, and 20,000,000 preferred shares Series B with a par value of ₱1.00 per share. Its total subscribed and paid-up capital at ₱57,100,000.00 consists of 500,000 common shares and 7,100,000 preferred shares Series B registered in ALCO's name, 40% of which were sold in favor of SEAI Metro Manila One, Inc. (SEAIMMO) on 23 December 2025.

None of these subsidiaries are engaged in any bankruptcy, receivership or similar proceedings. Also, for the period covered by this Report and as of the date of this Report, these subsidiaries are neither parties to any transaction which involves material reclassification, merger, consolidation or purchase or sale of a significant amount of assets, except as otherwise discussed in this Report.

Further, neither ALCO nor any of its subsidiaries is a party to any legal action arising from the ordinary course of its respective businesses with the exception of the following cases:

1. Termination of Trust Account

In February 2015, ALCO filed a claim before the Regional Trial Court of Makati City, Branch 149 in relation to the petition for liquidation of Export and Industry Bank (EIB) represented by the Philippine Deposit Insurance Corporation (PDIC). ALCO maintained a Trust Account with EIB prior to its closure in April 2012 and had demanded from PDIC the termination of said account and the release of the owner's duplicate copies of three (3) transfer certificates of title (the "Titles") which had been placed in the custody of the EIB Trust Department. These Titles belong to ALCO and UPHI. ALCO does not have any

interest in EIB's remaining assets to be liquidated, but it was constrained to make this claim before the liquidation court, given that PDIC refused to act on the matter.

In an Order dated 08 May 2017, ALCO was directed to file the necessary complaint and for PDIC to submit its Answer in order that there is a separate docket and hearing of the same and thereby enable the court to have a full and complete resolution of the issues presented by ALCO.

However, in view of Administrative Matter No. 19-12-02 or the *Rules on Liquidation of Closed Banks* issued on 16 April 2020, ALCO, upon advice of counsel, deemed it more appropriate to have all its claims against EIB ventilated before the liquidation court itself, *i.e.* the Regional Trial Court of Makati City, Branch 149, and for this purpose, filed an Urgent Motion before said court on 13 February 2023 for it to give due course to its foregoing claim.

On 20 October 2023, ALCO and UPHI filed a Motion to Resolve the *Entry of Appearance with Urgent Motion to Give Due Course to the Claim of ALCO and UPHI* stating that PDIC did not include or even mention the Titles in its recent Partial Asset Distribution Plan, which is the reason why it cannot yet file the Final Asset Distribution Plan.

Despite filing a Second Motion to Resolve reiterating the foregoing claim on 15 February 2024, ALCO and UPHI are still awaiting resolution of the matter to date.

2. Quieting of Title

UPHI filed a complaint for quieting of title, among other reliefs, before the Regional Trial Court of Calamba, Laguna, Branch 36 because of the erroneous issuance of tax declarations to several individual defendants by the City of Tagaytay covering UPHI's 33-hectare property registered in Calamba City. It also wanted to seek clarification with respect to which city UPHI is under legal obligation to pay real property taxes, *i.e.*, Calamba City or Tagaytay City.

In a Decision dated 16 December 2019, the court dismissed the complaint for being premature considering both cities claim territorial jurisdiction over the property but there is no pending territorial dispute between them, and that said dispute may only be resolved through a joint session between their respective *Sangguniang Panlalawigan* (should be *Panlungsod*) pursuant to the Local Government Code. There is no cloud over the title and the court ruled that UPHI should continue paying real property tax to Calamba City because of the admission of Tagaytay City that UPHI's property is titled under the Torrens System which categorically states that it is located in Calamba City. Also, both cities had stipulated that the title to the property is in the custodial jurisdiction and safe keeping of the Register of Deeds of Calamba City, and Tagaytay City did not make any claim or request for the transfer of said title to its own custodial jurisdiction and safe keeping.

UPHI filed a Motion for Partial Reconsideration of the foregoing Decision. The court granted the same in an Order dated 05 June 2020 and declared, among others, that UPHI is the true and lawful owner of the 33-hectare property registered in its name and enjoined it to continue paying for the real property taxes in Calamba City. Further, in the event the local government of the City of Tagaytay insists that the subject property is within its territorial jurisdiction, the court directed the cities of Calamba and Tagaytay to take the initiative through their respective *Sangguniang Panlungsod* and through a joint session, resolve any territorial dispute between them in accordance with the Local Government Code of 1991.

The City of Tagaytay and one of the individual defendants¹⁵ filed an appeal before the Court of Appeals which affirmed the 05 June 2020 Order of the trial court on 31 July 2023 and denied their separate Motions for Reconsideration on 15 February 2024. Both filed petitions for review under Rule 45 of the Rules of Court before the Supreme Court in April 2024 while UPHI submitted its Comment/Opposition to the same in October 2024.

The Supreme Court rendered its Decision on 11 August 2025 (copy received on 13 March 2026) denying the consolidated petitions for review and affirmed the Order of the trial court dated 31 July 2023 and the Resolution of the Court of Appeals dated 15 February 2024. The City of Tagaytay and the lone individual defendant filed their respective Motions for Reconsideration on 07 March 2026 and 24 March 2026.

3. Expropriation

Petitioner National Power Corporation (NAPOCOR) filed in November 1995 before the Regional Trial Court of Calamba, Laguna, Branch 34, a Petition for Expropriation of Properties to be affected by the Tayabas-Dasmariñas 500 kV transmission line right, which included a portion of UPHI's property with an area of about one (1) hectare. The court issued a Writ of Possession in favor of NAPOCOR in 1996.

In July 1999, NAPOCOR and UPHI agreed to refer to commissioners the determination of just compensation for UPHI. UPHI did not question the propriety of expropriation any further but continued to participate in the proceedings, having found NAPOCOR's valuation unreasonable, and to enable it to submit evidence as and when the commissioners required the same. The matter was eventually elevated before the Court of Appeals in 2015 and is still pending resolution to date.

UPHI and the National Transmission Corporation (successor-in-interest of NAPOCOR) instead agreed to enter into an amicable settlement and in April 2024, jointly sought the approval thereof by the trial court but the same was denied because allegedly, the latter had already lost jurisdiction over the main case and no longer has possession nor access to the records, all of which were transmitted to the Court of Appeals. The parties were enjoined to re-file their motion to approve their compromise agreement when the records of the case are remanded back to the trial court.

4. Claim for Refund

- a. A buyer¹⁶ offered to purchase a unit in Arya Residences in November 2012, paid the reservation fee but failed to pay the final amortization and other charges which became due in January 2014, on the ground that a viewing of the unit was not allowed beforehand, notwithstanding that pursuant to the Contract to Sell signed, full payment of the account is required prior to turnover of the unit. A viewing of the unit is not scheduled until the account is fully paid since inspection is the initial step of the turnover process. All buyers of Arya Residences were treated in the same manner.

In November 2017, the buyer filed a complaint before the Housing and Land Use Regulatory Board (HLURB)¹⁷ and demanded the return of all payments made in a span of one (1) year amounting to ₱942,718.53. In a Decision dated 05 April 2019, ALCO was directed to refund this amount to the buyer and pay attorney's fees and actual damages in the total amount of ₱70,000.00.

¹⁵ The lone defendant who appealed is Ms. Rosalinda Reyes.

¹⁶ The complainant is Ms. Anita Medina-Yu.

¹⁷ Now Department of Human Settlements and Urban Development.

On 15 May 2019, ALCO appealed the foregoing Decision before the Office of the President arguing, among others, that Republic Act (R.A.) No. 6552 should have been applied as it is the special law governing transactions that involve, subject to certain exceptions, the sale on installment basis of real property. However, the adverse Decision was affirmed in a Resolution dated 01 October 2021 on the ground of lack of jurisdiction per Section 42 of the Implementing Rules and Regulations of R.A. No. 11201¹⁸, *i.e.* the matter should have been brought before HLURB Arbiters and Commissioners and thereafter, to the Court of Appeals, and not the Office of the President.

In July 2022, ALCO filed before the Court of Appeals a Petition for Certiorari under Rule 65 of the Rules of Court to annul and reverse the Resolution of the Office of the President as it acted with grave abuse of discretion amounting to lack of jurisdiction, and there being no plain, speedy and adequate remedy in the ordinary course of law available to ALCO. Notwithstanding R.A. No. 11201, HLURB itself had stated in its Notice that “*Since the Resolution was promulgated by the Board xxx, appeal therefrom shall still be brought to the Office of the President in accordance with Section 5 of Executive Order No. 648, series of 1981*”. With this instruction from the quasi-judicial body itself the appeal of whose resolution is sought, ALCO had to follow the said quasi-judicial agency’s directive to file its appeal before the Office of the President. The merits of the case should have been looked into and the appeal not denied on a mere technicality.

The Court of Appeals denied ALCO’s Petition for Certiorari in a Decision dated 11 September 2023, and its Motion for Reconsideration on 26 March 2024. ALCO filed before the Supreme Court a Petition for Review on Certiorari under Rule 45 of the Rules of Court on 10 May 2024 and is awaiting resolution of the matter.

- b. In March 2019, a husband and his wife¹⁹ agreed to purchase (6) condominium units in Savya Financial Center North Tower, paid the initial downpayment of ₱20,416,226.20 but defaulted in the rest of their obligations. The sale was duly cancelled, and all payments made were forfeited pursuant to the provisions in the contracts to sell they have executed with SLDC.

The buyers filed a complaint before the Human Settlements Adjudication Commission (HSAC) on 15 October 2023 demanding a refund of all payments made, as well as interests, damages, and attorney’s fees against SLDC and certain ALCO officers, claiming that SLDC failed to comply with its undertaking to complete the development and delivery of their units in December 2021.

After undergoing mediation, the spouses agreed to apply their payments to SLDC to the acquisition of another property of ALCO in Cebu City. The Regional Adjudication Branch-National Capital Region of the HSAC rendered judgment based on the said compromise agreement on 29 August 2024.

5. Labor

On 28 June 2022, a former Sales Agent²⁰ of CLLC filed a complaint against ALCO before the National Labor Relations Commission Regional Arbitration Branch No. VII, Cebu City (NLRC) claiming illegal suspension and demanding payment of back wages, separation pay, 13th month pay, incentive and damages.

¹⁸ Department of Human Settlements and Urban Development Act

¹⁹ The complainants are Spouses Cecilia Cuevas and Roger Cuevas.

²⁰ The complainant is Ms. Ella Dior O. Abad.

In a Decision dated 17 February 2023, the Labor Arbiter dismissed the complaint for lack of merit as the complainant failed to prove that an employer-employee relationship exists between her and ALCO. Complainant's appeal before the NLRC was denied on 15 June 2023. In its Resolution dated 28 September 2023, the NLRC denied complainant's Motion for Extension to File a Motion for Reconsideration and the appended Motion for Reconsideration dated 07 August 2023 for lack of merit and for being filed out of time, respectively.

The complainant filed on 07 December 2023 before the Court of Appeals a Petition for Certiorari under Rule 65 of the Rules of Court to set aside the foregoing decisions of the Labor Arbiter and the NLRC, which was later dismissed in a Decision dated 31 January 2024.

On 13 February 2024, an Entry of Judgement was issued by the NLRC stating that the Resolution dated 28 September 2023 has already become final and executory on 11 November 2023.

6. Liquidation Proceedings of Former Lessee

On 15 November 2021, Common Ground Works Philippines, Inc. (CGWPI), a former lessee of ALCO in ACPT (the "Leased Premises"), filed a Petition for Voluntary Liquidation with the Regional Trial Court of Taguig City, Branch 271 seeking to be declared insolvent and praying for the issuance of a liquidation order. ALCO was impleaded as a creditor for unpaid rentals, CUSA, other dues and penalties arising from the leased premises. The Court issued a Liquidation Order dated 19 November 2021 declaring CGWPI insolvent and dissolved.

ALCO filed its Statement of Claims on 14 September 2022 against CGWPI amounting to ₱172,666,437.23 as of 29 July 2022.

On 03 July 2023, the appointed liquidator filed a Motion for Leave of Court to conduct an inventory of CGWPI's assets allegedly being held by ALCO, which Motion was granted *ex parte* in an Order dated 14 July 2023. ALCO filed a Motion for Reconsideration on 31 July 2023 on the ground that all improvements and fixtures introduced by CGWPI in the Leased Premises have already become ALCO's property pursuant to the Contract of Lease given CGWPI's default. The parties are awaiting resolution of the matter.

7. Republic Act No. 26

CLLC filed a Petition to cancel the annotation in Transfer Certificate of Title No. 107-2015002572, one of the parcels of land on which Cebu Exchange now stands. The said annotation is pursuant to Section 7 of Republic Act No. 26 (otherwise known as "*An Act Providing a Special Procedure for the Reconstitution of Torrens Certificates of Title Lost or Destroyed*"). CLLC's title originated from reconstituted certificates of title that were judicially reconstituted on 02 March 1950. More than two years have lapsed since then; hence, the recorded encumbrance may now be canceled.

In a Decision dated 17 October 2022, the Regional Trial Court of Cebu City – Branch 23 granted the Petition and directed the Register of Deeds of Cebu City to cancel the annotation pertaining to the reservation or encumbrance made pursuant to Section 7 of Republic Act No. 26. An Order of Finality of said decision was issued on 09 May 2023.

8. Qualified Theft

On 8 October 2025, APPS and Cazneau filed a criminal complaint with the Office of the City Prosecutor of Biñan, Laguna against a former APPS employee²¹ hired as Property Management Administrative Assistant and assigned to Courtyard Hall. Investigation revealed that said former employee unlawfully collected rent from dormers and deliberately did not remit the same to Cazneau at the time and despite formal demand to do so.

By virtue of a Resolution dated 15 December 2025, fifty-four (54) Informations for theft pursuant to Article 308 in relation to Article 39 of the Revised Penal Code, as amended by Republic Act No. 10951, and in relation to Section 6 of Republic Act No. 10175, were filed before the Regional Trial Court of Biñan City, Laguna, Branch 152.

A warrant of arrest was subsequently issued, and the accused was arraigned on 26 February 2026. Trial is ongoing.

9. Construction Industry Arbitration Commission

Monocrete Construction Philippines, Inc. filed a complaint dated 20 January 2026 before the Construction Industry Arbitration Commission in relation to the alleged unpaid obligations of Bhavana Properties, Inc. arising from the Construction Agreement for Lucima. Proceedings are ongoing.

The potential effect of the foregoing cases on the financial statements of ALCO and its subsidiaries cannot be determined at the moment. However, it is believed that the effect thereof, if there is any, is not significant.

d. Competition

Significant barriers to entry into the market are the considerable capital needed for the acquisition and development of land, the development expertise and reputation required from an experienced management team, and the technical know-how, to name a few.

ALCO faces competition from other domestic property developers and the level of competition depends on product types, target market segments, location of developments and pricing, among others. Competition is also present in the procurement of raw materials, particularly in a tight supply market.

ALCO views as direct competition the major property players which are into the middle and high market categories for high-rise residential developments in the vicinity of ALCO's investment properties. Further, ALCO competes with these property developers for high-caliber sales/leasing agents and brokers.

ALCO believes that given the desirability of the project locations, its strict adherence to quality, innovation and sustainability, its competitive pricing schemes and commitment to its projects even after sales, it is able to compete quite effectively.

ALCO considers two (2) direct competitors in the high-end residential market segment in terms of comparable quality of development and pricing of products – Ayala Land, Inc. and Rockwell Land Corporation. These companies have been in the business many years earlier than ALCO and they have strong brand equity, long track record, and big balance sheets. In the office development front, ALCO competes with both large and medium-scale developers such as

²¹ Ms. Mariel P. Galenzoga

Ayala Land, Inc., The Net Group, Daiichi Properties, and other local developers, particularly in Cebu City. These companies are considered to have the greater share of the market at the moment.

ALCO intends to primarily capitalize on its niche market by developing projects in distinct locations, which are unique and special in terms of design, high quality of construction, and sustainable and wellness features. ALCO is the pioneer in sustainable developments, being the first and only company to have a portfolio of office and residential projects that is 100% certified as sustainable under the LEED, BERDE, EDGE and WELL certification programs. It intends to continue to provide distinctive products with better quality at competitive pricing. ALCO is able to achieve this given its strong but lean management team as well as its organization as a whole.

e. Industry Risk

The property development sector remains inherently cyclical and closely linked to economic growth, consumer and business confidence, access to financing, interest rate movements, construction costs, and the political and regulatory environment.

The Philippine economy decelerated in 2025, with gross domestic product (GDP) expanding by 4.4%, below the government's 5.5%–6.5% target and marking the third consecutive year of underperformance. Growth slowed sharply in the fourth quarter to 3.0%, reflecting the impact of weather-related disturbances, reduced investment activity, and weakened confidence. On the demand side, household final consumption expenditure grew by 4.6%, while gross capital formation declined by 2.1%, driven largely by lower government infrastructure spending toward year-end. These conditions underscore the property sector's sensitivity to economic momentum, investment cycles, and confidence.

The residential real estate sector is primarily driven by household income growth, employment conditions, housing affordability, and access to credit. Overseas Filipino workers (OFWs) continue to represent a significant source of housing demand, particularly in the affordable and mid-market segments. Accordingly, the sector remains exposed to economic conditions in key overseas labor markets, including the United States, the Middle East, and parts of Europe and Asia-Pacific. Disruptions affecting overseas employment, remittance flows, exchange rates, or geopolitical stability may adversely affect residential demand and absorption.

The office market remains closely linked to the information technology and business process management (IT-BPM) sector, which predominantly serves foreign clients. While the United States and Europe remain major markets, the industry has increasingly diversified toward Australia, New Zealand, and other Asia-Pacific economies. In parallel, the sector is transitioning from traditional voice-based services toward higher-value, knowledge-based activities, including financial, legal, healthcare, engineering, and digital services. Office demand is therefore subject to global economic conditions, outsourcing strategies, technological change, and evolving workplace models.

Inflation edged higher in early 2026, driven mainly by higher energy-related costs and services, while remaining within the central bank's target range. Elevated energy prices and input costs may increase construction expenses, operating costs, and household expenditures. Although the Bangko Sentral ng Pilipinas (BSP) has reduced policy rates to support growth amid softening domestic demand, future monetary policy actions remain dependent on inflation developments and confidence conditions. Any reversal of the easing cycle could raise borrowing and mortgage rates, affecting housing affordability and project returns.

Geopolitical tensions in the Middle East pose additional risks to the Philippine economy through potential increases in global oil prices, inflationary pressures, foreign exchange

volatility, and remittance flows. Prolonged disruptions may weigh consumer spending, investment sentiment, and financing conditions.

Overall, the property development industry, including ALCO and its subsidiaries, remains exposed to risks arising from economic slowdowns, interest rate volatility, credit availability, foreign exchange movements, construction cost inflation, labor and supply chain constraints, geopolitical developments, and changes in national and local regulations. ALCO is particularly sensitive to political and security conditions, overseas remittance performance, and IT-BPM sector dynamics, as these factors influence demand across residential and commercial real estate segments.

To mitigate risks associated with the cyclical nature of property development, ALCO employs the following broad strategies:

- (1) Its development portfolio was carefully assembled to achieve a diversified, well-balanced portfolio of projects that yield a target portfolio return on a risk-adjusted basis. Diversification is monitored to minimize risk concentration on any one product type, geographic location, and target market segment. As a result, ALCO is more resilient to changes in macroeconomic fundamentals because specific real estate sub-sectors will respond differently to these changes. For instance, the Company notes that the effect of work from home requirements issued by the Fiscal Incentives Review Board and/or PEZA did not have a significant impact on ALCO's business because of its diversified sources of revenues.
- (2) ALCO's commitment to sustainability provides a clear point of differentiation, resulting in a very strong brand equity which helps sustain demand for its products even in periods within an economic cycle where there may be a glut in supply. For instance, despite the recent elevated vacancy in Cebu, new lease contracts were executed for the Company's investment property in Cebu Exchange because of its superior sustainability features and quality.
- (3) ALCO adheres to prudent financial management strategies even in periods of strong economic growth to survive downward economic turns. Even with the capital-intensive nature of real estate projects, the Company sets the capital structure for its projects to ensure that there is no over-reliance on debt to fund its growth. As a result, its leverage ratios are well within its internal guidance cap and financial covenants.
- (4) The premium nature of ALCO's development portfolio attracts high quality of buyers as well as established multinationals as tenants. ALCO has a very rigid credit approval system to ensure that its buyers are financially capable of meeting their payment schedules.
- (5) ALCO regularly monitors the economic performance of the country and global players through internal research and discussions with its property consultants to be able to timely adjust policies on pricing, payment schemes and timing of new project launches.

f. Sources and availability of raw materials

Construction of ALCO's projects is awarded to qualified reputable construction firms subject to a bidding process and Management's evaluation of contractors' qualifications and satisfactory working relationships. Construction materials, primarily cement and reinforcing bars (rebars), are normally provided by the contractors as part of their engagement. In instances when Management finds it to be more cost-effective, ALCO may opt to procure owner-supplied construction materials.

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g. Advances to Related Parties

In the regular conduct of business, ALCO and its wholly owned subsidiaries enter into intercompany transactions, primarily advances necessary to carry out their respective functions subject to liquidation and reimbursements for expenses. ALCO ensures that these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks, fair and treated at arm's length.

Intercompany transactions between and among ALCO, its subsidiaries and related companies are discussed in ALCO's 2025 Audited Financial Statements hereto attached.

h. Patents and Trademarks

ALCO's operations are not dependent on patents, trademarks, copyrights and the like, although ALCO, on its own behalf and those of its subsidiaries, sought from the Intellectual Property Office of the Philippines and was granted the exclusive use of the tradenames, logos and taglines "Arthaland Future Proof by Design", "Arthaland Century Pacific Tower", "ARTHALAND Building Sustainable Legacies", "Cebu Exchange", "Savya Financial Center", "Sevina Park", "Lucima", "Eluria", "Una Apartments", "Sondris", "The Potager Gardens by Arthaland", "The Potager Garden", "The Garden of Simples", "Emera", "Arthaland Prestige Property Solutions", "NAVIS by Arthaland". The tradename "Arya Residences" now belongs to Arya Residences Condominium Corporation.

i. Government approval for principal products or services

ALCO secures various government approvals such as Environmental Compliance Certificates (ECCs), development permits and licenses to sell as part of its normal course of business.

ALCO does not foresee any material or adverse effect of existing and probable government regulations on its business.

j. Cost and Effects of Compliance with Environmental Laws

ALCO complied with all environmental regulatory requirements for both the pre-construction and operational phases of all its projects and paid for the imposed dues.

ALCO goes beyond the mandatory environmental framework, being a member and supporter of USGBC and PHILGBC. ALCO is also an EDGE Champion of the IFC and a supporter of the World Green Building Council.

ALCO will obtain the requisite government approvals for its subsequent projects based on the projects' timetable for development and pre-selling.

k. Employees

As of 31 December 2025, ALCO had a total of 172 personnel, 71 of whom are in management and 101 are non-managers²². As of the same period, ALCO also engaged 240 sales agents.

The above personnel are not covered by any collective bargaining agreement.

Additional employees will be hired for the succeeding year but the same will be closely aligned with ALCO's actual and programmed growth.

l. Working Capital

ALCO finances its projects through internally generated funds, loans from banks, funds from joint venture partners, and funds raised from its public offering of preferred shares and bonds. ALCO may also obtain support from its major shareholders, such as the non-interest-bearing loans obtained from Centrobless Corporation²³, a majority owned subsidiary of Century Pacific Group, Inc., which is the same majority shareholder of CPG, ALCO's largest stockholder at present, and from Signature Office Property, Inc.²⁴, which is majority-owned and chaired by ALCO Director Jaime Enrique Y. González.

The amount spent on development activities and its percentage vis-à-vis the revenues during the last two (2) fiscal years are reflected and discussed in ALCO's Audited Financial Statements for the period covered by this Report, a copy of which is hereto attached.

OPERATIONAL AND FINANCIAL INFORMATION

a. Market Information

For the period covered by this Report, only the Common shares and the Preferred shares Series D and Series F were traded in the Philippine Stock Exchange. Below are the highlights of quarterly trading of these shares for the past three (3) years:

Common

Quarter	2025			2024			2023		
	High	Low	Close	High	Low	Close	High	Low	Close
1	0.370	0.365	0.370	0.51	0.30	0.49	0.52	0.50	0.51
2	0.460	0.410	0.410	0.50	0.44	0.485	0.50	0.49	0.50
3	0.445	0.420	0.435	0.465	0.36	0.405	0.485	0.470	0.485
4	0.420	0.415	0.420	0.41	0.30	0.365	0.46	0.435	0.46

Preferred Shares Series D

Quarter	2025			2024			2023		
	High	Low	Close	High	Low	Close	High	Low	Close
1	499.80	450.20	499.80	500.00	432.00	451.00	500.00	494.80	500.00
2	479.40	465.00	479.40	479.80	400.00	430.00	490.00	489.80	490.00

²² These employees do clerical, administrative and operational day to day tasks, are given directives, and do not have any authority to make decisions for the Company.

²³ The loan amounting to ₱1,650,643,779.00 was fully settled as of 31 December 2018.

²⁴ This loan amounting to ₱207,051,912.00 was fully settled as of 31 December 2018.

3	460.80	455.20	460.80	480.00	430.40	450.20	450.00	440.00	450.00
4	485.00	471.00	485.00	476.40	445.20	464.40	500.00	500.00	500.00

Preferred Shares Series F

Quarter	2025			2024		
	High	Low	Close	High	Low	Close
1	508.00	505.00	505.00	N.A.	N.A.	N.A.
2	505.00	504.00	504.00	N.A.	N.A.	N.A.
3	486.00	476.00	476.00	N.A.	N.A.	N.A.
4	500.00	482.00	482.00	505.20	430.00	502.50

Below are the highlights of trading of ALCO's shares for the first quarter of 2026:

Share	High	Low	Close
Common	0.490	0.435	0.485
Preferred Series D	495.00	485.00	495.00
Preferred Series F	535.00	507.00	535.00

b. Security Holders

ALCO's total shares issued and outstanding to date are as follows:

Common	-	5,318,095,199
Preferred Series A	-	12,500,000
Preferred Series D	-	6,000,000
Preferred Series E	-	14,000,000 ²⁵
Preferred Series F	-	4,964,860

As of 31 December 2025, the number of shareholders of record is as follows:

Common	-	1,903
Preferred Series A	-	1
Preferred Series D	-	6
Preferred Series E	-	1
Preferred Series F	-	2

ALCO's public ownership percentage as of 31 December 2025 is 29.905%.

As of 31 March 2026, the number of shareholders of record is as follows:

Common	-	1,899
Preferred Series A	-	1
Preferred Series D	-	6
Preferred Series E	-	1
Preferred Series F	-	2

ALCO's public ownership percentage as of this period is also 29.905%.

Article Seventh of ALCO's Articles of Incorporation provides that its shares of stock are not subject to pre-emptive rights of the stockholders and may therefore be issued in such quantities at such times and with such features as the Board of Directors may determine and prescribe

²⁵ 1,500,000 shares were issued on 05 March 2024 while 12,500,000 were issued on 15 August 2024.

provided, that the Preferred shares shall be redeemable, non-voting and non-participating. Article Tenth further provides that no issuance or transfer of shares of stock shall be allowed if it will reduce the ownership of Filipino citizens to less than the percentage required by law.

The top 20 stockholders of Common shares as of 31 December 2025 are as follows:

Name of Shareholders	No. of Shares	%
1. CPG Holdings, Inc.	2,017,619,910	37.938
2. PCD Nominee Corporation – Filipino	1,653,272,596	31.088
3. AO Capital Holdings I, Inc.	1,383,730,000	26.019
4. Elite Holdings, Inc.	119,809,996	2.253
5. Tina Keng	25,000,000	0.470
6. EQL Properties, Inc.	14,671,125	0.276
7. PCD Nominee Corporation – Non-Filipino	14,570,888	0.274
8. Urban Bank Trust Department – A/C No. 625	4,838,488	0.091
9. RBL Fishing Corporation	4,350,000	0.082
10. Veronica D. Reyes	3,799,272	0.071
11. Veronica D. Reyes and/or Cecilia D. Reyes	2,654,061	0.050
12. Theodore G. Huang and/or Corazon B. Huang	2,501,250	0.047
13. Anito Tan and/or Lita Tan	2,027,049	0.038
14. Frederick Dizon Matsuda	1,740,000	0.033
15. Kwan Yan Dee and/or Christina Dee	1,631,250	0.031
16. Dante Garcia Santos	1,631,250	0.031
17. Luciano H. Tan	1,505,950	0.028
18. Josefina Tan Cruz	1,488,000	0.028
19. Samuel Uy	1,087,500	0.020
20. Datacom Systems Corp.	1,004,394	0.019
Total	5,258,932,979.00	98.89

The top 20 stockholders of Common shares as of 31 March 2026 are as follows:

Name of Shareholders	No. of Shares	%
1. CPG Holdings, Inc.	2,017,619,910	37.938
2. PCD Nominee Corporation – Filipino	1,653,272,596	31.088
3. AO Capital Holdings I, Inc.	1,383,730,000	26.019
4. Elite Holdings, Inc.	119,809,996	2.253
5. Tina Keng	25,000,000	0.470
6. EQL Properties, Inc.	14,671,125	0.276
7. PCD Nominee Corporation – Non-Filipino	14,570,888	0.274
8. Urban Bank Trust Department – A/C No.	4,838,488	0.091
9. RBL Fishing Corporation	4,350,000	0.082
10. Veronica D. Reyes	3,799,272	0.071
11. Veronica D. Reyes and/or Cecilia D. Reyes	2,654,061	0.050
12. Theodore G. Huang and/or Corazon B. Huang	2,501,250	0.047
13. Anito Tan and/or Lita Tan	2,027,049	0.038
14. Kwan Yan Dee and/or Christina Dee	1,631,250	0.031
15. Dante Garcia Santos	1,631,250	0.031
16. Luciano H. Tan	1,505,950	0.028
17. Josefina Tan Cruz	1,488,000	0.028
18. Samuel Uy	1,087,500	0.020
19. Datacom Systems Corp.	1,004,394	0.019
20. Mitsu Machine Phils. Inc.	998,313	0.019
Total	5,256,709,554	98.845

The sole shareholder of Preferred Shares Series A is MPI, a wholly owned subsidiary of ALCO.

The top stockholders of Preferred Shares Series D as of 31 December 2025 are as follows:

Name of Shareholders	No. of Shares	%
1. PCD Nominee Corporation – Filipino	5,920,850	98.6808
2. PCD Nominee Corporation – Non-Filipino	64,100	1.0683
3. G.D. Tan & Co., Inc.	13,000	0.2167
4. Knights of Columbus Fr. George J. Willman Charities, Inc.	1,000	0.0167
5. KC Philippines Foundation, Inc.	1,000	0.0167
6. Myra P. Villanueva	50	0.0008
Total	6,000,000	100.000

ALCO's top stockholders of Preferred Shares Series D as of 31 March 2026 are as follows:

Name of Shareholders	No. of Shares	%
1. PCD Nominee Corporation – Filipino	5,920,850	98.6808
2. PCD Nominee Corporation – Others	64,100	1.0683
3. G.D. Tan & Co., Inc.	13,000	0.2167
4. Knights of Columbus Fr. George J. Willman Charities, Inc.	1,000	0.0167
5. KC Philippines Foundation, Inc.	1,000	0.0167
6. Myra P. Villanueva	50	0.0008
Total	6,000,000	100.000

The sole shareholder of Preferred Shares Series E is also MPI.

The top stockholders of Preferred Shares Series F as of 31 December 2025 are as follows:

Name of Shareholders	No. of Shares	%
1. PCD Nominee Corporation – Filipino	4,950,680	99.71
2. PCD Nominee Corporation – Non-Filipino	14,180	00.29
Total	4,964,860	100.000

ALCO's top stockholders of Preferred Shares Series F as of 31 March 2026 are as follows:

Name of Shareholders	No. of Shares	%
1. PCD Nominee Corporation – Filipino	4,950,000	99.700
2. PCD Nominee Corporation – Non-Filipino	14,860	0.300
Total	4,964,860	100.000

c. Dividends

ALCO declared cash dividends to Common stockholders, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
28 June 2013	26 July 2013	22 August 2013	₱0.012
10 March 2014	28 March 2014	22 April 2014	₱0.036
09 March 2015	23 March 2015	08 April 2015	₱0.012
28 February 2017	14 March 2017	07 April 2017	₱0.012
21 March 2018	06 April 2018	02 May 2018	₱0.012
21 June 2019	08 July 2019	31 July 2019	₱0.012
26 June 2020	10 July 2020	31 July 2020	₱0.012
25 June 2021	09 July 2021	30 July 2021	₱0.012
24 June 2022	11 July 2022	04 August 2022	₱0.012

30 June 2023	17 July 2023	10 August 2023	₱0.012
28 June 2024	19 July 2024	09 August 2024	₱0.012
27 June 2025	15 July 2025	08 August 2025	₱0.012

ALCO declared cash dividends to holders of Series B Preferred Shares until the date these shares were redeemed on 06 December 2021, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
08 February 2017	24 February 2017	06 March 2017	₱1.76145
10 May 2017	25 May 2017	06 June 2017	₱1.76145
09 August 2017	23 August 2017	06 September 2017	₱1.76145
26 October 2017	24 November 2017	06 December 2017	₱1.76145
10 January 2018	09 February 2018	06 March 2018	₱1.76145
09 May 2018	23 May 2018	06 June 2018	₱1.76145
01 August 2018	16 August 2018	06 September 2018	₱1.76145
24 October 2018	12 November 2018	06 December 2018	₱1.76145
21 February 2019	01 March 2019	06 March 2019	₱1.76145
08 May 2019	22 May 2019	06 June 2019	₱1.76145
07 August 2019	22 August 2019	06 September 2019	₱1.76145
23 October 2019	15 November 2019	06 December 2019	₱1.76145
29 January 2020	14 February 2020	06 March 2020	₱1.76145
06 May 2020	21 May 2020	06 June 2020	₱1.76145
05 August 2020	19 August 2020	06 September 2020	₱1.76145
21 October 2020	13 November 2020	06 December 2020	₱1.76145
27 January 2021	15 February 2021	06 March 2021 ²⁶	₱1.76145
05 May 2021	19 May 2021	06 June 2021 ²⁷	₱1.76145
04 August 2021	20 August 2021	06 September 2021	₱1.76145
20 October 2021	16 November 2021	06 December 2021	₱1.76145

ALCO declared cash dividends to holders of Preferred Shares Series C until the date these shares were redeemed on 27 June 2024, as follows:

Declaration Date	Record Date	Payment Date	Amount/Share
08 August 2019	06 September 2019	27 September 2019	₱1.7319
23 October 2019	29 November 2019	27 December 2019	₱1.7319
29 January 2020	06 March 2020	27 March 2020	₱1.7319
06 May 2020	04 June 2020	27 June 2020	₱1.7319
05 August 2020	04 September 2020	27 September 2020	₱1.7319
21 October 2020	04 December 2020	28 December 2020	₱1.7319
27 January 2021	08 March 2021	27 March 2021 ²⁸	₱1.7319
05 May 2021	07 June 2021	27 June 2021 ²⁹	₱1.7319
04 August 2021	07 September 2021	27 September 2021	₱1.7319
20 October 2021	03 December 2021	27 December 2021	₱1.7319
23 February 2022	10 March 2022	28 March 2022	₱1.7319
04 May 2022	02 June 2022	27 June 2022	₱1.7319
05 August 2022	01 September 2022	27 September 2022	₱1.7319
26 October 2022	05 December 2022	27 December 2022	₱1.7319

²⁶ Following the terms of the offering of the Preferred Shares Series B, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.

²⁷ *Ibid.*

²⁸ Following the terms of the offering of Preferred Shares Series C, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.

²⁹ *Ibid.*

25 January 2023	01 March 2023	27 March 2023	₱1.7319
03 May 2023	01 June 2023	27 June 2023	₱1.7319
02 August 2023	04 September 2024	28 September 2023	₱1.7319
25 October 2023	29 November 2023	27 December 2023	₱1.7319
31 January 2024	01 March 2024	27 March 2024	₱1.7319
08 May 2024	03 June 2024	27 June 2024	₱1.7319

ALCO declared cash dividends to holders of Series D Preferred Shares, as follows:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount/Share</u>
26 January 2022	11 February 2022	03 March 2022	₱7.50
04 May 2022	19 May 2022	03 June 2022	₱7.50
08 August 2022	19 August 2022	03 September 2022 ³⁰	₱7.50
26 October 2022	14 November 2022	05 December 2022 ³¹	₱7.50
25 January 2023	08 February 2023	03 March 2023	₱7.50
03 May 2023	17 May 2023	03 June 2023 ³²	₱7.50
02 August 2023	16 August 2023	03 September 2023 ³³	₱7.50
25 October 2023	10 November 2023	03 December 2023 ³⁴	₱7.50
31 January 2024	15 February 2024	03 March 2024 ³⁵	₱7.50
08 May 2024	23 May 2024	03 June 2024	₱7.50
06 August 2024	23 August 2024	03 September 2024	₱7.50
05 November 2024	19 November 2024	03 December 2025	₱7.50
22 January 2025	07 February 2025	03 March 2025	₱7.50
07 May 2025	22 May 2025	03 June 2025	₱7.50
06 August 2025	20 August 2025	03 September 2025	₱7.50
29 October 2025	13 November 2025	03 December 2025	₱7.50

ALCO declared cash dividends to holders of Series F Preferred Shares, as follows:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount/Share</u>
11 December 2024	21 January 2025	14 February 2025	₱9.1575
26 March 2025	15 April 2025	14 May 2025	₱9.1575
27 June 2025	21 July 2025	14 August 2025	₱9.1575
06 August 2025	21 October 2025	14 November 2025	₱9.1575

No dividends were declared in 2016.

Whether ALCO still plans to declare dividends within the next twelve (12) months from the date of this Report is uncertain but the same shall always be subject to Section 2, Article VII of its By-laws which provides, as follows:

“Dividends shall be declared from the unrestricted retained earnings of the Corporation, including stock dividends from paid-in surplus, at such time and in such amounts as the Board of Directors may determine. Dividend declarations shall not in any manner reduce the paid-in capital of the Corporation. Unless otherwise resolved by the Board of Directors, a fraction

³⁰ Following the terms of the offering of Preferred Shares Series D, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.

³¹ *Ibid.*

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

of one-half or more of a share owing to a stockholder resulting from a declaration of stock dividends shall be issued as one full share, while a fraction of less than one-half share shall be disregarded.

“Declaration of stock dividends shall be submitted to a stockholders’ meeting for approval within forty (40) business days from such approval by the Board of Directors. The record date for stock dividends shall not be earlier than the date of approval by the stockholders.

“Declaration of cash dividends shall have a record date which shall not be less than ten (10) business days but not more than thirty (30) business days from the date of declaration by the Board of Directors.”

ALCO’s subsidiaries have the same policy as above stated when declaring dividends.

ALCO complies and will always comply with Section 42 of the Revised Corporation Code and PSE Memorandum No. 2008-0315 dated 30 June 2008 which states that the disclosure of the record date must not be less than ten (10) trading days from the date of declaration, while the payment date shall not be more than eighteen (18) trading days from the record date.

d. Recent Sales of Unregistered or Exempt Securities

There are no recent sales of unregistered or exempt shares of ALCO.

MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION
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FINANCIAL POSITION

31 December 2025 vs. 31 December 2024

	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>	<u>Change</u>
Cash and cash equivalents	₱1,381,114,743	₱4,045,963,662	-66%
Financial assets at fair value through profit or loss (FVPL)	271,312,173	1,895,958,320	-86%
Receivables	3,415,177,569	1,771,675,289	93%
Creditable withholding taxes	1,125,196,039	862,328,524	30%
Input value-added tax (VAT)	912,807,838	463,784,660	97%
Contract Assets	8,891,243,368	7,625,261,813	17%
Real estate for sale	13,106,806,103	7,271,174,737	80%
Investment properties	16,569,289,505	14,590,019,555	14%
Property and equipment	312,362,975	301,618,461	4%
Other Assets	1,721,732,425	1,713,949,547	0%
Total Assets	47,707,042,738	40,541,734,568	18%
Accounts payable and other liabilities	7,010,503,043	4,262,192,735	64%
Loans payable	18,699,823,576	12,476,024,751	50%
Bonds payable	2,965,754,165	5,955,532,419	-50%
Contract liabilities	595,701,610	428,492,840	39%
Advances from non-controlling interests	1,058,519,597	1,010,119,597	5%
Net retirement liability	53,898,518	27,371,514	97%
Net deferred tax liabilities	2,674,091,353	2,129,697,872	26%

Total Liabilities	33,058,291,862	26,289,431,728	26%
Capital stock	1,004,721,996	1,004,721,996	0%
Additional paid-in capital	6,464,321,710	6,464,321,710	0%
Treasury stock – at cost	(1,000,000,000)	(1,000,000,000)	0%
Parent Company’s shares held by a subsidiary	(26,500,000)	(26,500,000)	0%
Retained earnings	5,297,671,791	5,263,177,339	1%
Other equity reserves	213,316,409	208,982,963	2%
Total equity attributable to Equity Holders of the Parent Company	11,953,531,906	11,914,704,008	0%
Non-controlling interests	2,695,218,970	2,337,598,832	15%
Total Equity	14,648,750,876	14,252,302,840	3%
Total Liabilities and Equity	₱47,707,042,738	₱40,541,734,568	18%

ALCO's total resources reached ₱47.71 billion as of 31 December 2025, higher by 18% from the ₱40.54 billion recorded on 31 December 2024, due to the following:

66% Decrease in Cash and Cash Equivalents

The decrease is largely due to payment for land and property acquisitions and repayment of Green Bonds Tranche 1, net of additional loan proceeds.

86% Decrease in Financial Assets at Fair Value through Profit or Loss (FVPL)

The decrease is mainly due to repayment of Green Bonds Tranche 1.

93% Increase in Receivables

This is due to increased billings from ongoing projects and the receivable recorded from the sale of ALCO’s 40% interest in Zileya.

30% Increase in Creditable Withholding Taxes

The increase is mainly due to the recognition of project management fees from newly launched projects, resulting in higher income subject to withholding.

97% Increase in Input Value-Added Tax (VAT)

The increase is primarily driven by property acquisition, as well as payments for construction costs and management fees incurred during the year.

17% Increase in Contract Assets

The increase is due to new real estate contracts recognized during the period mainly from buyers of Eluria and UNA Apartments.

80% Increase in Real Estate for Sale

This is mainly due to land and property acquisitions in Metro Manila and Cebu for future developments.

14% Increase in Investment Properties

The increase is attributed to the revaluation of office and retail units and land properties of the Group.

64% Increase in Accounts Payable and Other Liabilities

The increase is mainly due to liabilities arising from land acquisition in Cebu, deferred output VAT, and accrual of construction cost for ongoing projects.

50% Increase in Loans Payable

The increase pertains mainly to additional loans to finance the development of the ongoing projects of the group.

50% Decrease in Bonds Payable

The decrease is mainly due to redemption of ALCO's P3 billion ASEAN Green Bonds Tranche 1.

39% Increase in Contract Liabilities

The increase is due to payments received from buyers of residential units for which the related revenue has not yet been recognized.

5% Increase in Advances from Non-Controlling Interests

The increase is mainly attributable to the sale of 40% interest in Zileya, net of repayment of advances in other subsidiaries.

97% Increase in Net Retirement Liability

This is due to additional retirement expense recognized for the year.

26% Increase in Deferred Tax Liabilities

The increase is primarily attributable to taxes arising from the recognition of fair value gains on investment properties.

15% Increase in Non-controlling Interests

The increase is due to the sale of 40% equity interest in Zileya.

FINANCIAL POSITION

31 December 2024 vs. 31 December 2023

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>	<u>Change</u>
Cash and cash equivalents	₱4,045,963,662	₱5,605,296,553	-28%
Financial assets at fair value through profit or loss (FVPL)	1,895,958,320	877,853,288	116%
Receivables	1,771,675,289	2,211,302,746	-20%
Real estate for sale	7,271,174,737	7,548,831,703	-4%
Contract Assets	7,625,261,813	5,608,780,240	36%
Investment properties	14,590,019,555	13,175,632,447	11%
Property and equipment	301,618,461	315,768,669	-4%
Net retirement asset	–	14,151,768	-100%
Other Assets	3,040,062,731	1,906,428,476	59%
Total Assets	40,541,734,568	37,264,045,890	9%
Accounts payable and other liabilities	4,262,192,735	3,621,061,114	18%
Loans payable	12,476,024,751	11,186,817,196	12%
Bonds payable	5,955,532,419	5,941,522,413	0%
Contract liabilities	428,492,840	198,350,664	116%
Advances from non-controlling interests	1,010,119,597	1,102,119,597	-8%
Net retirement liability	27,371,514	5,145,894	432%
Net deferred tax liabilities	2,129,697,872	2,092,857,227	2%
Total Liabilities	26,289,431,728	24,147,874,105	9%

Capital stock	1,004,721,996	1,005,757,136	0%
Additional paid-in capital	6,464,321,710	5,973,360,513	8%
Treasury stock – at cost	(1,000,000,000)	(2,000,000,000)	-50%
Parent Company’s shares held by a subsidiary	(26,500,000)	(12,500,000)	112%
Retained earnings	5,263,177,339	5,547,760,292	-5%
Other equity reserves	208,982,963	216,566,831	-4%
Total equity attributable to Equity Holders of the Parent Company	11,914,704,008	10,730,944,772	11%
Non-controlling interests	2,337,598,832	2,385,227,013	-2%
Total Equity	14,252,302,840	13,116,171,785	9%
Total Liabilities and Equity	₱40,541,734,568	₱37,264,045,890	9%

ALCO's total resources reached ₱40.54 billion as of 31 December 2024, higher by 9% from the ₱37.26 billion recorded on 31 December 2023, due to the following:

28% Decrease in Cash and Cash Equivalents

The decrease is mainly due to payments for project development costs, dividends, taxes, and investments in money market funds.

116% Increase in Financial Assets at Fair Value through Profit or Loss (FVPL)

The increase is attributed to additional investments in money market funds.

20% Decrease in Receivables

The decrease is due to collections from buyers of office and retail units and parking slots of completed projects.

36% Increase in Contract Assets

The increase is due to new real estate contracts recognized during the year primarily from buyers of the residential projects of the Group.

11% Increase in Investment Properties

The increase is attributed to the revaluation of office and retail units and land properties of the Group.

100% Decrease in Net Retirement Asset

The decrease is due to higher retirement expense resulting to net retirement liability.

59% Increase in Other Asset

The increase is largely due to downpayment for property acquisition, advances for project development costs and creditable withholding taxes.

18% Increase in Accounts Payable and Other Liabilities

The increase is mainly due to accrual of construction costs of the ongoing projects of the Group.

12% Increase in Loans Payable

The increase pertains mainly due to additional loans to finance the Group’s working capital requirements and on-going project development.

116% Increase in Contract Liabilities

The increase refers to customers deposits received from buyers of residential units for which the related revenue has not yet been recognized.

8% Decrease in Advances from Non-Controlling Interests

This pertains to repayment of advances from non-controlling interests.

432% Increase in Net Retirement Liability

The increase is due to recognition of retirement expense for the year.

8% Increase in Additional Paid-In Capital

The increase is due to the issuance of Preferred Shares Series F with ₱1 par value per share at the issuance price of ₱500 per share, net of transaction costs.

50% Decrease in Treasury Stock – at cost

The decrease is largely due to retirement of Preferred Shares Series B for the year.

112% Increase in Parent Company’s Shares Held by a Subsidiary

The increase pertains to the subscription of MPI to ALCO’s Preferred Shares Series E.

5% Decrease in Retained Earnings

The decrease is due to the restatement of retained earnings resulting from the change in accounting policies and retirement of Preferred Shares Series B.

FINANCIAL POSITION

31 December 2023 vs. 31 December 2022

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>Change</u>
Cash and cash equivalents	₱5,605,296,553	₱4,796,293,662	17%
Financial assets at fair value through profit or loss (FVPL)	877,853,288	2,246,039,822	-61%
Receivables	2,211,302,746	2,380,054,645	-7%
Contract Assets	5,608,780,240	3,920,367,468	43%
Real estate for sale	7,548,831,703	9,381,383,586	-20%
Investment properties	13,175,632,447	11,273,784,260	17%
Property and equipment	315,768,669	333,940,003	-5%
Net retirement asset	14,151,768	36,058,483	-61%
Other Assets	1,906,428,476	2,024,785,160	-6%
Total Assets	37,264,045,890	36,392,707,089	2%
Accounts payable and other liabilities	3,621,061,114	3,382,198,303	7%
Loans payable	11,186,817,196	11,764,154,679	-5%
Bonds payable	5,941,522,413	5,925,771,148	0%
Contract liabilities	198,350,664	231,469,884	-14%
Advances from non-controlling interests	1,102,119,597	1,102,119,597	0%
Net retirement liability	5,145,894	2,545,060	102%
Net deferred tax liabilities	2,092,857,227	1,924,137,488	9%
Total Liabilities	24,147,874,105	24,332,396,159	-1%
Capital stock	1,005,757,136	1,005,757,136	0%
Additional paid-in capital	5,973,360,513	5,973,360,513	0%
Treasury stock – at cost	(2,000,000,000)	(2,000,000,000)	0%
Parent Company’s shares held by a subsidiary	(12,500,000)	(12,500,000)	0%

Retained earnings	5,547,760,292	4,912,544,253	13%
Other equity reserves	216,566,831	221,696,435	-2%
Total equity attributable to Equity Holders of the Parent Company	10,730,944,772	10,100,858,337	6%
Non-controlling interests	2,385,227,013	1,959,452,593	22%
Total Equity	13,116,171,785	12,060,310,930	9%
Total Liabilities and Equity	₱37,264,045,890	₱36,392,707,089	2%

ALCO's total resources reached ₱37.26 billion as of 31 December 2023, higher by 2% from the ₱36.39 billion recorded on 31 December 2022, due to the following:

17% Increase in Cash and Cash Equivalents

The increase in cash is largely due to collections from buyers of completed projects and proceeds from the termination of money market placements.

61% Decrease in Financial Assets at Fair Value through Profit or Loss (FVPL)

The decrease is due to termination of money market placements for loan repayments and project development expenses.

7% Decrease in Receivables

The decrease is due to collections from buyers of office and retail units and parking slots of completed projects.

43% Increase in Contract Assets

The increase pertains to new real estate contracts recognized during the period primarily from buyers of Lucima, Eluria and Savya Financial Center.

20% Decrease in Real Estate for Sale

The decline is driven mainly by the higher sales activities during the year, as well as transfer of office units and parking slots of Cebu Exchange and Savya Financial Center from their respective inventory of real estate for sale to investment properties.

17% Increase in Investment Properties

The increase is attributed to the retention of office units and parking slots in Cebu Exchange and Savya Financial Center due to the change of intention in the use of these properties. These properties were remeasured at fair value and included in investment properties for lease.

5% Decrease in Property, Plant and Equipment

The decrease is due to the disposal of transportation equipment and depreciation expense during the year.

61% Decrease in Net Retirement Asset

The decrease is attributable to changes in actuarial assumptions.

6% Decrease in Other Assets

The decrease is largely due to input VAT that were claimed against output VAT due to higher revenues.

7% Increase in Accounts Payable and Other Liabilities

The increase is due to accrual of construction costs for the ongoing projects of the Group.

5% Decrease in Loans Payable

The decrease results from the net repayment of term and short-term loans.

14% Decrease in Contract Liabilities

The decrease refers to the reclassification of customer's deposits to receivables or contract assets from buyers of Eluria as initial revenue recognition commenced this year.

102% Increase in Net Retirement Liability

The increase is due to additional retirement expense for the year.

9% Increase in Net Deferred Tax Liabilities

The increase can be attributed mainly to the provision for taxes in relation to the gain recognized on the change in fair value of investment properties.

13% Increase in Retained Earnings

The increase is due to net income attributable to ALCO for the year, net of dividends declared to ALCO's shareholders.

22% Increase in Non-Controlling Interests

The increase is due to the share in net income, additional subscriptions to preferred shares from the non-controlling shareholders of Bhavya and SLDC, net of the share of non-controlling shareholders in the dividends declared by these subsidiaries.

RESULTS OF OPERATIONS

31 December 2025 vs. 31 December 2024

	31 Dec 2025	% of Sale	31 Dec 2024	% of Sale	Change
Revenues	₱5,143,547,529	100%	₱6,224,024,138	100%	-17%
Cost and expenses	3,325,772,485	65%	4,529,324,957	73%	-27%
Gross income	1,817,775,044	35%	1,694,699,181	27%	7%
Administrative expenses	1,107,396,670	22%	1,009,172,950	16%	10%
Selling and marketing expenses	598,717,584	11%	454,809,392	7%	32%
Operating expenses	1,706,114,254	33%	1,463,982,342	24%	17%
Income from operations	111,660,790	2%	230,716,839	4%	-52%
Net gain on change in fair value of investment properties	1,940,773,536	38%	1,933,989,204	31%	0%
Finance costs	(1,574,883,378)	31%	(1,486,928,815)	24%	6%
Other income – Net	397,923,979	8%	425,884,378	7%	-7%
Income before income tax	875,474,927	17%	1,103,661,606	18%	-21%
Provision for income tax	467,646,277	9%	345,285,691	6%	35%
Net income	407,828,650	8%	758,375,915	12%	-46%
Other comprehensive income (loss)					
Remeasurement gains (losses) on net retirement asset or liability	5,777,928	-	(10,111,824)	-	157%
Income tax benefit (expense) on remeasurement gains or losses	(1,444,482)	-	2,527,956	-	-157%
Total comprehensive income	₱412,162,096	8%	₱750,792,047	12%	-45%

Results of Operations for the year ended 31 December 2025 compared to the year ended 31 December 2024

17% Decrease in Revenues

Revenues declined as those projects that significantly contributed to revenues in 2024 were fully sold or nearing full sellout in 2025. The decline was partially offset by the contribution from new projects and increase in leasing income.

27% Decrease in Cost and Expenses

This is mainly due to the adjusted construction cost of the ongoing projects that are near completion.

10% Increase in Administrative Expenses

This is largely due to higher taxes, personnel cost, and expenses related to SAP S4HANA migration.

32% Increase in Selling and Marketing Expenses

The increase is mainly attributable to commission, sales and marketing expenses related to new project launch and international sales roadshow.

6% Increase in Finance Costs

The increase is largely due to the additional new loan facilities secured by the group.

7% Decrease in Other Income – Net

This is mainly due to lower interest income, net of the gains from the sale of 40% interest in Zileya.

35% Increase in Provision for Income Tax

The increase is primarily attributable to higher taxable income for the year.

157% Increase in Remeasurement Gains (Losses) on Net Retirement Asset or Liability

This is due to changes in actuarial assumptions or adjustments in the valuation of the retirement plan.

RESULTS OF OPERATIONS 31 December 2024 vs. 31 December 2023

	31 Dec 2024	% of Sale	31 Dec 2023	% of Sale	Change
Revenues	₱6,224,024,138	100%	₱6,638,923,582	100%	-6%
Cost and expenses	4,529,324,957	73%	3,924,713,673	59%	15%
Gross income	1,694,699,181	27%	2,714,209,909	41%	-38%
Administrative expenses	1,009,172,950	16%	821,439,823	12%	23%
Selling and marketing expenses	454,809,392	7%	529,115,673	8%	-14%
Operating expenses	1,463,982,342	24%	1,350,555,496	20%	8%
Income from operations	230,716,839	4%	1,363,654,413	21%	-83%
Net gain on change in fair value of investment properties	1,933,989,204	31%	974,092,333	15%	99%
Finance costs	(1,486,928,815)	24%	(1,020,350,432)	15%	46%
Other income – Net	425,884,378	7%	521,253,473	8%	-18%

Income before income tax	1,103,661,606	18%	1,838,649,787	28%	-40%
Provision for income tax	345,285,691	6%	449,666,103	7%	-23%
Net income	758,375,915	12%	₱1,388,983,684	21%	-45%
Other comprehensive income (loss)					
Remeasurement losses on net retirement asset or liability	(10,111,824)	-	(6,839,472)	-	48%
Income tax benefit on remeasurement gains or losses	2,527,956	-	1,709,868	-	48%
	(7,583,868)		(5,129,604)		
Total comprehensive income	₱750,792,047	12%	₱1,383,854,080	21%	-46%

Results of Operations for the year ended 31 December 2024 compared to the year ended 31 December 2023

6% Decrease in Revenues

This is mainly due to higher sales from previous year contributed by the bulk sale of Savya Financial Center's commercial units.

15% Increase in Cost and Expenses

The increase is due to incremental percentage of completion and step-up cost of repossessed units sold for the year.

23% Increase in Administrative Expenses

The increase was largely driven by higher personnel costs and benefits for the year.

14% Decrease in Selling and Marketing Expenses

The decrease is mainly attributed to higher commission expenses incurred last year from the sale of Sevina's commercial lot and bulk sale of SFC commercial units.

99% Increase in Net Gain on Change in Fair Value of Investment Properties

This pertains to the appraisal gain recognized for office and retail units and land properties of the Group.

46% Increase in Finance Costs

The increase is largely due to the adoption of new accounting standard relative to non-capitalization of borrowing cost and recording the same as part of period cost.

18% Decrease in Other Income – Net

The decrease is due to lower interest income and gain on repossession.

23% Decrease in Provision for Income Tax

The decrease is primarily attributed to lower taxable income for the year.

48% Increase in Remeasurement Gains (Losses) on Net Retirement Asset or Liability

This is due to changes in actuarial assumptions or adjustments in the valuation of the retirement plan.

RESULTS OF OPERATIONS
31 December 2023 vs. 31 December 2022

	31 Dec 2023	% of Sale	31 Dec 2022	% of Sale	Change
Revenues	₱6,638,923,582	100%	₱2,922,691,194	100%	127%
Cost and expenses	(3,924,713,673)	59%	(1,804,061,411)	62%	118%
Gross income	2,714,209,909	41%	1,118,629,783	38%	143%
Administrative expenses	821,439,823	12%	616,716,251	21%	33%
Selling and marketing expenses	529,115,673	8%	255,280,513	9%	107%
Operating expenses	1,350,555,496	20%	871,996,764	30%	55%
Income from operations	1,363,654,413	21%	246,633,019	8%	453%
Finance costs	(1,020,350,432)	15%	(500,672,464)	17%	104%
Net gain on change in fair value of investment properties	974,092,333	15%	1,435,889,906	49%	-32%
Other income – Net	521,253,473	8%	68,051,894	2%	666%
Income before income tax	1,838,649,787	28%	1,249,902,355	43%	47%
Provision for income tax	449,666,103	7%	376,837,638	13%	19%
Net income	₱1,388,983,684	21%	₱873,064,717	30%	59%
Other comprehensive income (loss)					
Remeasurement gains (losses) on net retirement asset or liability	(6,839,472)	-	58,645,826	2%	-112%
Income tax benefit (expense) on remeasurement gains or losses	1,709,868	-	(14,661,457)	1%	-112%
	(5,129,604)		43,984,369		
Total comprehensive income	₱1,383,854,080	21%	₱917,049,086	31%	51%

Results of Operations for the year ended 31 December 2023 compared to the year ended 31 December 2022

127% Increase in Revenues

The increase was driven by strong sales of office units at Savya Financial Center and Cebu Exchange, as well as residential units in Lucima, commercial lot sale in Sevina, along with the initial revenue recognition from Eluria.

118% Increase in Cost and Expenses

The increase is due to higher sales booking and incremental percentage of completion.

33% Increase in Administrative Expenses

The increase is mainly attributed to increase in personnel costs, taxes and office expenses.

107% Increase in Selling and Marketing Expenses

The increase is mainly attributed to increase in commissions relative to higher sales and increased marketing activities.

104% Increase in Finance Costs

The increase resulted from the non-capitalization of borrowing costs for completed projects, as well as interest associated to proceeds from the ASEAN green bonds, pending disbursement for the new projects.

32% Decrease in Net Gain on Change in Fair Value of Investment Properties

The decline is mostly attributable to the larger net saleable area of office and retail units in Cebu Exchange that were reclassified to investment properties and revalued to fair value in 2022 compared to 2023.

666% Increase in Other Income – Net

The increase is due to higher interest income from short term money market placements and gain on repossession arising from sales cancellation.

19% Increase in Provision for Income Tax

The increase is primarily attributed to higher revenues recognized this year.

112% Decrease in Remeasurement Gains (Losses) on Net Retirement Asset or Liability

This results from adjustments in financial assumptions and other factors considered in the valuation of the retirement plan.

FINANCIAL RATIOS

	December 2025	December 2024	December 2023
Current/Liquidity Ratio (Current Assets over Current Liabilities)	1.86:1	1.58:1	2.32:1
Solvency Ratio (Net income before Depreciation over Total Liabilities)	0.01:1	0.03:1	0.06:1
Debt-to-Equity Ratio (Total Liabilities to Total Equity)	2.26:1	1.84:1	1.84:1
Debt-to-Equity Ratio for Loan Covenant (Total Debt [interest-bearing borrowings and liabilities for deferred purchase price of property]* to Total Equity (includes advances from non- controlling interest in 2025)	1.50:1	1.36:1	1.39:1
Asset-to-Equity Ratio (Total Assets over Total Equity)	3.26:1	2.84:1	2.84:1
Interest Rate Coverage Ratio (Pre-tax income before Interest over Interest Expense)	1.57:1	1.74:1	2.81:1
Profitability Ratio (Net income over Total Equity)	0.03:1	0.05:1	0.11:1

*Advances from non-controlling interest were included in total debt in 2024 and 2023.

There are no known trends, events or uncertainties that are expected to affect ALCO's continuing operations.

There are no known events that will trigger a direct or contingent financial obligation that is material to ALCO, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), entities or other persons created during the reporting period.

Except as otherwise disclosed separately and excluding those projects already in ALCO's pipeline as outlined in this Report, there are no other material commitments for capital expenditures as of the period herein.

There are no known trends, events or uncertainties that will materially impact sales.

There are no known significant elements of income or loss from continuing operations.

There are no known seasonal aspects that has material effect on the financial statements.

FINANCIAL POSITION

MARCH 2026 vs DECEMBER 2025

	31 Mar 2026	31 Dec 2025	% Change
Cash and cash equivalents	₱ 1,152,711,454	₱ 1,381,114,743	-17%
Financial assets at fair value through profit or loss (FVPL)	325,488,024	271,312,173	20%
Receivables	2,215,659,923	3,415,177,569	-35%
Creditable withholding taxes	1,186,043,334	1,125,196,039	5%
Input value-added tax (VAT)	1,008,622,035	912,807,838	10%
Contract Assets	9,527,678,626	8,891,243,368	7%
Real estate for sale	12,838,325,129	13,106,806,103	-2%
Investment properties	17,636,841,942	16,569,289,505	6%
Property and equipment	331,020,470	312,362,975	6%
Other Assets	1,873,026,442	1,721,732,425	9%
Total Assets	48,095,417,379	47,707,042,738	1%
Accounts payable and other liabilities	6,521,271,752	7,010,503,043	-7%
Loans payable	19,240,783,704	18,699,823,576	3%
Bonds payable	2,967,303,846	2,965,754,165	0%
Contract liabilities	616,064,789	595,701,610	3%
Advances from non-controlling interests	1,058,519,597	1,058,519,597	0%
Net retirement liability	63,405,638	53,898,518	18%
Net deferred tax liabilities	2,803,071,027	2,674,091,353	5%
Total Liabilities	33,270,420,353	33,058,291,862	1%
Equity attributable to equity holders of the Parent Company			
Capital stock	1,004,721,996	1,004,721,996	0%
Additional paid-in capital	6,464,321,710	6,464,321,710	0%
Treasury shares	(1,000,000,000)	(1,000,000,000)	0%
Parent Company's preferred shares held by a subsidiary	(26,500,000)	(26,500,000)	0%
Retained earnings	5,467,291,263	5,297,671,791	3%
Other equity reserves	213,316,409	213,316,409	0%
	12,123,151,378	11,953,531,906	1%

	31 Mar 2026	31 Dec 2025	% Change
Non-controlling interests	2,701,845,648	2,695,218,970	0%
Total Equity	14,824,997,026	14,648,750,876	1%
Total Liabilities and Equity	₱ 48,095,417,379	₱ 47,707,042,738	1%

The Company's total assets as of 31 March 2026 is at ₱48.1 billion from ₱47.7 billion last 31 December 2025.

Causes for any material changes (+/- 5% or more) in the financial statements

17% Decrease in Cash and Cash Equivalents

The decrease is largely due to payments related to operations of the group.

20% Increase in Financial Assets at Fair Value through Profit or Loss

The increase is due to new investments made in this period.

35% Decrease in Receivables

The decrease is mainly from the collections received from customers and SEAIMMO from the sale of 40% interest in Zileya.

5% Increase in Creditable Withholding Taxes

The increase is mainly due to the recognition of project management fees for new projects, resulting in higher income subject to withholding.

10% Increase in Input VAT

The increase is primarily driven by payments for construction costs and management fees incurred during the period.

7% Increase in Contract Assets

The increase is due to new real estate contracts recognized during the period mainly from buyers of Eluria and UNA Apartments.

6% Increase in Investment Properties

The increase is mainly attributable to the reclassification of Cebu Exchange assets from real estate for sale, supplemented by fair value adjustments during the period.

6% Increase in Property and Equipment

The increase mainly reflects the ongoing construction of showroom for new project LIV.

9% Increase in Other Assets

The increase is primarily driven by the annual prepayment of taxes on the Company's properties and assets subject to amortization during the year.

Total liabilities saw a slight 1% increase to ₱33.3 billion this quarter, up from ₱33.1 billion at the end of 2025, due to the following:

7% Decrease in Accounts Payable and Other Liabilities

The decrease is mainly due to payment of accrued construction-related obligations during the period.

18% Increase in Retirement Liability

The increase is due to additional provision of retirement expense for the period.

5% Increase in Net Deferred Tax Liabilities

The increase was primarily attributable to taxes arising from the recognition of fair value gain on investment properties.

Total equity grew to ₱14.8 billion by 31 March 2026 from ₱14.6 billion at the end of 2025.

RESULTS OF OPERATIONS

MARCH 2026 vs MARCH 2025

	31 MAR 2026	% of Sale	31 MAR 2025	% of Sale	% Change
Revenues	₱1,120,222,840	100%	₱1,146,513,547	100%	-2%
Cost and Expenses	681,929,869	61%	664,997,991	58%	3%
GROSS INCOME	438,292,971	39%	481,515,556	42%	-9%
Administrative expenses	289,421,256	26%	252,259,802	22%	15%
Selling and marketing expenses	175,653,958	16%	179,735,144	16%	-2%
OPERATING EXPENSES	465,075,214	42%	431,994,946	38%	8%
OTHER OPERATING INCOME (EXPENSES)					
Finance costs	(423,138,793)	38%	(323,433,558)	28%	31%
Net gain on change in fair value of investment properties	742,150,074	66%	484,728,260	42%	53%
Other income – net	46,772,297	4%	60,834,669	5%	-23%
INCOME BEFORE INCOME TAX	339,001,335	30%	271,649,981	24%	25%
PROVISION FOR INCOME TAX	102,933,849	9%	71,297,989	6%	44%
NET INCOME	236,067,486	21%	200,351,992	17%	18%
NET INCOME ATTRIBUTABLE TO:					
Equity holders of Parent Company	260,085,177	23%	147,773,256	13%	76%
Non-controlling interests	(24,017,691)	-2%	52,578,736	5%	-146%
	₱236,067,486	21%	₱200,351,992	17%	18%

The Group's consolidated net income rose 18%, reaching ₱236.1 million compared to ₱200.4 million in the previous period.

Causes for any material changes (+/- 5% or more) in the financial statements

15% Increase in Administrative Expenses

The increase is mainly attributed to higher personnel expenses incurred for the period.

31% Increase in Finance Costs

The increase is due to the additional loans secured by the group.

53% Increase in Net Gain on Change in Fair Value of Investment Properties

This pertains to the revaluation gain recognized from the reclassification of Cebu Exchange assets from real estate for sale to investment properties, following a change in intended use from sale to leasing and long-term capital appreciation.

23% Decrease in Other Income - net

The decrease is mainly driven by a drop in interest earnings and gains on financial assets at FVPL.

44% Increase in Provision for Income Tax

The increase is primarily attributed to higher taxable income in the first quarter of 2026.

FINANCIAL RATIOS

MARCH 2026 vs DECEMBER 2025 vs MARCH 2025

RATIO	FORMULA	MAR 2026	DEC 2025	MAR 2025
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.76:1	1.86:1	1.68:1
Acid Test Ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	0.22:1	0.32:1	0.38:1
Solvency Ratios	$\frac{\text{Net Income before depreciation}}{\text{Total liabilities}}$	0.01:1	0.01:1	0.01:1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	2.24:1	2.26:1	1.74:1
Debt to Equity Ratio for Loan covenant	$\frac{\text{Total Debt [Bonds and loans payable and amount payable for deferred purchase price of property] to Total Equity [Total Equity and Advances from non-controlling interest]}^*}{\text{Total Equity}}$	1.52:1	1.50:1	1.23:1
Asset-to-Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	3.24:1	3.26:1	2.74:1
Interest Rate Coverage Ratio	$\frac{\text{Pretax Income before Interest}}{\text{Interest expense}}$	1.80:1	1.57:1	1.85:1
Profitability Ratio	$\frac{\text{Net Income attributable to equity holders of the Parent Company}}{\text{Total Equity}}$	0.02:1	0.03:1	0.01:1
Return on Equity	$\frac{\text{Net Income}}{\text{Average Equity excluding Preferred Shares}}$	2.87%	2.82%	2.14%
Return on Assets	$\frac{\text{Net Income}}{\text{Average Total assets}}$	0.54%	0.92%	0.52%
Net Profit Margin	$\frac{\text{Net Income}}{\text{Revenue}}$	21%	8%	17%
Basic Earnings per Share	$\frac{\text{Net income less dividends declared}}{\text{Outstanding common shares}}$	0.0319	0.0185	0.0108
Price to Earnings Ratio	$\frac{\text{Market Price per share}}{\text{Earnings per share}}$	13.48:1	22.72:1	29.23:1
Dividend Yield	$\frac{\text{Dividends per share}}{\text{Market price per share}}$	2.79%	2.86%	3.81%

December 2025 ratio is based on full year income while March 2026 and March 2025 ratios are based on three-month income.

*Mar 2025: Total Debt [Bonds and loans payable, amount payable for purchase of interest in a subsidiary and advances from non-controlling interest] to Total Equity

ANNUAL CORPORATE GOVERNANCE REPORT

ALCO's compliance with its Manual of Corporate Governance (the "Manual")³⁶, as amended on 03 May 2023³⁷, is monitored by its Compliance Officer who is tasked, among others, to determine and measure such compliance with the said Manual, while the heads of various departments of the organization monitor the requisite compliances within the scope of their responsibilities.

The Board of Directors and Management, including officers and staff, of ALCO believe that good corporate governance is a necessary component of a sound and strategic business management and have, therefore, adopted the leading principles and practices of good corporate governance mandated by law and regulatory agencies and committed these as guide in the attainment of corporate goals and objectives. For this reason, everyone in the organization undertakes every effort necessary to create awareness of ALCO's Manual of Corporate Governance. Upon election, appointment or hiring, as applicable, the new director/s, officer/s or employee/s is provided with all relevant written information about ALCO, including the Manual, and such policies and procedures which will be relevant to his duties and responsibilities as such director, officer or employee. He is then free to sit down with any incumbent officer to enlighten himself further on ALCO's operations.

There is no deviation from the Manual as of the date of this Report.

No evaluation system has been established at this time which can measure or determine the level of compliance of the Board of Directors and top-level management with the Manual. An evaluation by a third party (Institute of Corporate Directors) was instead conducted in 2021 on the Board of Directors and ALCO's various committees.

- Nothing follows. -

³⁶ The revised Manual of Corporate Governance is available at www.arthaland.com.

³⁷ The only change refers to the term of the External Auditor. Item 6.B of the Manual now reads "The External Auditor shall be rotated or changed every seven (7) years or earlier, or the signing partner of the auditing firm assigned to the Corporation, should be changed with the same frequency."



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/tmessage@sec.gov.ph



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Company Information

SEC Registration No.: AS94007160

Company Name: ARTHALAND CORPORATION

Industry Classification: K70120

Company Type: Stock Corporation

Document Information

Document ID: OST104162026811230260

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents

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Date Wed 4/15/2026 2:39 PM
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Cc Romel J. Espinoza <RJESPINOZA@ARTHALAND.COM>

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Valid files

- EAFS004450721AFSTY122025.pdf
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- EAFS004450721TCRTY122025-02.pdf
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

Management of **ARTHALAND CORPORATION** (the “**Parent Company**”) and its **Subsidiaries** (collectively, the “**Group**”) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **31 December 2025, 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

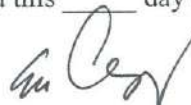
In preparing the financial statements, Management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to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

The Board of Directors is responsible in overseeing the Group’s financial reporting process.

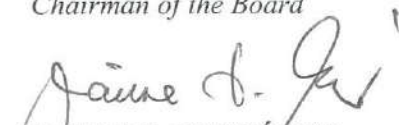
The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed this day of **APR 13 2026** **Taguig City, Philippines.**



ERNEST K. CUYEGKENG
Chairman of the Board



JAIME C. GONZÁLEZ
Vice Chairman and President



MARIYIC S. VICTORIA
Chief Finance Officer

OATH

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) SS.

I certify that on this **APR 13 2026**, before me, a notary public duly authorized in the city named above to take acknowledgments, personally appeared the following whom I identified through competent evidence of identity to be the same persons described in the foregoing instrument, who acknowledged before me that they voluntarily affixed their signatures on the instrument for the purpose stated therein, and who declared to me that they executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of their principal:

<u>Name</u>	<u>Type of ID</u>	<u>Date/Place of Issue</u>
Ernest K. Cuyegkeng	Passport No. P7236847A	19 May 2018/NCR South
Jaime C. González	Passport No. P5521740A	05 January 2018/Manila
Marivic S. Victoria	Passport No. P6226193B	04 February 2021/Manila

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc No. 342
Page No. 70 ;
Book No. 21 ;
Series of **2026**.


GAUDENCIO A. BARBOZA JR.
NOTARY PUBLIC
UNTIL DEC 31, 2026
PTR # A-6751298 / JAN 5, 2026 TAGUIG CITY
IBP No 534380 / 12/02/25 RSM (FOR YR. 2026)
ROLL No 41969
MCLE COMP NO VIII No 0040608
SEPTEMBER 3, 2025
APP NO 29 (2025-2026)

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Arthaland Corporation and Subsidiaries
7/F Arthaland Century Pacific Tower
5th Avenue corner 30th Street
Bonifacio Global City, Taguig City

Opinion

We have audited the consolidated financial statements of Arthaland Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Opinion

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

Key Audit Matters

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

Fair Value Measurement of Investment Properties

The Group's investment properties, which are accounted for using the fair value model amounted to ₱16,569.3 million as at December 31, 2025. The fair value measurement is significant to our audit as the investment properties account for 35% of the Group's total assets as at December 31, 2025.



We focused our audit on the determination of the fair value of investment properties because the process involves significant management judgment when selecting the appropriate valuation techniques and inputs used to determine fair value.

We have assessed the independence and competency of the appraiser engaged by the Group. We have also reviewed the reasonableness of the assumptions used to estimate the fair value of the Group's investment properties by: (1) testing the underlying lease agreements on a sample basis, (2) testing raw land's value by referring to the value of similar properties, and (3) verifying valuation inputs such as yields, occupancy rates and discount rates to external industry data to ascertain if these are reasonably appropriate. We also reviewed the related disclosures in Notes 3 and 10 to the consolidated financial statements.

The Group's investment properties, which are accounted for using the fair value model amounted to ₱16,569.3 million as at December 31, 2025. The fair value measurement is significant to our audit as the investment properties account for 35% of the Group's total assets as at December 31, 2025.

Revenue from Real Estate Sales

For the year ended December 31, 2025, the Group recognized revenue of ₱4,310.2 million from real estate sales using the percentage of completion (POC) method. This is significant to our audit as the amount of revenue from real estate sales for the year ended December 31, 2025 is material to the consolidated financial statements.

We focused our audit on the revenue recognition because significant judgment is required when estimating the POC, total project costs and the estimated costs to complete the real estate project that are used to determine POC at the end of the reporting period.

We addressed this matter by obtaining an understanding of and evaluating the Group's processes and controls over the estimation of POC, including testing the design and operating effectiveness of key controls over project budgeting, costing, and milestone measurement. We performed reasonableness testing of key assumptions through site visits, inspection of progress billings, and review of relevant supporting documentation.

We also substantiated reported project progress by agreeing milestone percentages to project accomplishment reports prepared by independent project engineers, and tested incurred project costs by examining contractors' billings, supplier invoices, and other supporting documents. In addition, we verified the mathematical accuracy of the POC applied and confirmed that revenue was appropriately calculated in accordance with the applicable financial reporting framework. We also reviewed the related disclosures in Notes 3 and 17 to the consolidated financial statements.

Valuation of Real Estate for Sale

The Group's real estate properties amounted to ₱13,106.8 million as at December 31, 2025, which accounts for 27% of the total assets. Valuation of real estate for sale is significant to our audit because it involves determination and estimation of project costs at the end of the reporting period.



We obtained an understanding of the Group's processes and controls over inventory cost accumulation and allocation. We tested, on a sample basis, the actual costs capitalized to real estate for sale by examining supporting documents such as contractors' billings, progress billings, and cost allocation schedules, and by conducting site inspections of selected projects.

We also evaluated management's assessment of net realizable value by comparing carrying amounts to recent selling prices, approved price lists, and actual post-year-end sales, and by assessing the reasonableness of estimated costs to sell, where applicable. We also reviewed the adequacy of the related disclosures in Notes 3 and 9 to the consolidated financial statements.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

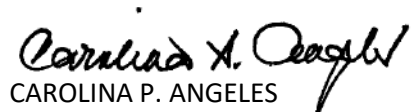
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

The engagement partner on the audit resulting in this independent auditors' report is Carolina P. Angeles.

REYES TACANDONG & Co.



CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782/P-007; Valid until June 6, 2026

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Cash and cash equivalents	5	P 1,381,114,743	P4,045,963,662
Financial assets at fair value through profit or loss (FVPL)	6	271,312,173	1,895,958,320
Receivables	7	3,415,177,569	1,771,675,289
Creditable withholding taxes		1,125,196,039	862,328,524
Input value-added tax (VAT)		912,807,838	463,784,660
Contract assets	8	8,891,243,368	7,625,261,813
Real estate for sale	9	13,106,806,103	7,271,174,737
Investment properties	10	16,569,289,505	14,590,019,555
Property and equipment	11	312,362,975	301,618,461
Other assets	12	1,721,732,425	1,713,949,547
		P47,707,042,738	P40,541,734,568
LIABILITIES AND EQUITY			
Liabilities			
Accounts and other payables	13	P 7,010,503,043	P4,262,192,735
Loans payable	14	18,699,823,576	12,476,024,751
Bonds payable	15	2,965,754,165	5,955,532,419
Contract liabilities	8	595,701,610	428,492,840
Advances from non-controlling interests	4	1,058,519,597	1,010,119,597
Net retirement liability	21	53,898,518	27,371,514
Net deferred tax liabilities	23	2,674,091,353	2,129,697,872
Total Liabilities		33,058,291,862	26,289,431,728
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	16	1,004,721,996	1,004,721,996
Additional paid-in capital	16	6,464,321,710	6,464,321,710
Treasury stock - at cost	16	(1,000,000,000)	(1,000,000,000)
Parent Company's preferred shares held by a subsidiary - at cost	16	(26,500,000)	(26,500,000)
Retained earnings		5,297,671,791	5,263,177,339
Other equity reserves	16	213,316,409	208,982,963
		11,953,531,906	11,914,704,008
Non-controlling Interests	4	2,695,218,970	2,337,598,832
Total Equity		14,648,750,876	14,252,302,840
		P47,707,042,738	P40,541,734,568

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2025	2024	2023
REVENUES				
	17			
Real estate sales		₱4,310,219,091	₱5,758,172,570	₱6,251,574,060
Leasing operations		705,069,656	414,901,457	366,299,089
Interest from real estate sale		89,820,951	15,307,178	–
Property management fees		38,437,831	35,642,933	21,050,433
		5,143,547,529	6,224,024,138	6,638,923,582
COST AND EXPENSES				
Cost of real estate sales	9	3,041,995,459	4,297,157,327	3,730,711,385
Cost of leasing operations	10	176,582,621	161,816,431	143,250,410
Cost of services		107,194,405	70,351,199	50,751,878
		3,325,772,485	4,529,324,957	3,924,713,673
GROSS INCOME		1,817,775,044	1,694,699,181	2,714,209,909
OPERATING EXPENSES	18	(1,706,114,254)	(1,463,982,342)	(1,350,555,496)
NET GAIN ON CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES	10	1,940,773,536	1,933,989,204	974,092,333
FINANCE COSTS	19	(1,574,883,378)	(1,486,928,815)	(1,020,350,432)
OTHER INCOME - Net	20	397,923,979	425,884,378	521,253,473
INCOME BEFORE INCOME TAX		875,474,927	1,103,661,606	1,838,649,787
PROVISION FOR INCOME TAX	23	467,646,277	345,285,691	449,666,103
NET INCOME		407,828,650	758,375,915	1,388,983,684
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss -</i>				
Remeasurement gains (losses) on net retirement asset (liability)	21	5,777,928	(10,111,824)	(6,839,472)
Income tax benefit (expense) on remeasurement gains or losses	23	(1,444,482)	2,527,956	1,709,868
		4,333,446	(7,583,868)	(5,129,604)
TOTAL COMPREHENSIVE INCOME		₱412,162,096	₱750,792,047	₱1,383,854,080
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱414,708,712	₱575,999,975	₱948,309,181
Non-controlling interests	4	(6,880,062)	182,375,940	440,674,503
		₱407,828,650	₱758,375,915	₱1,388,983,684
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱419,042,158	₱568,416,107	₱943,179,577
Non-controlling interests	4	(6,880,062)	182,375,940	440,674,503
		₱412,162,096	₱750,792,047	₱1,383,854,080
EARNINGS PER SHARE				
	26			
Basic and diluted		₱0.0185	₱0.0594	₱0.1314

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2025	2024	2023
CAPITAL STOCK	16			
Common - at ₱0.18 par value		₱957,257,136	₱957,257,136	₱957,257,136
Preferred - at ₱1.00 par value				
Balance at beginning of year		47,464,860	48,500,000	48,500,000
Issuance		–	18,964,860	–
Retirement of preferred shares series B		–	(20,000,000)	–
Balance at end of year		47,464,860	47,464,860	48,500,000
		1,004,721,996	1,004,721,996	1,005,757,136
ADDITIONAL PAID-IN CAPITAL	16			
Balance at beginning of year		6,464,321,710	5,973,360,513	5,973,360,513
Addition arising from issuance of preferred shares		–	2,477,465,140	–
Reduction arising from retirement of preferred shares		–	(1,956,441,541)	–
Stock issuance costs		–	(30,062,402)	–
Balance at end of year		6,464,321,710	6,464,321,710	5,973,360,513
TREASURY STOCK - at cost	16			
Balance at beginning of year - redemption of 20.0 million preferred shares series B		(1,000,000,000)	(2,000,000,000)	(2,000,000,000)
Retirement of preferred shares series B		–	2,000,000,000	–
Redemption of 10.0 million preferred shares series C		–	(1,000,000,000)	–
Balance at end of year		(1,000,000,000)	(1,000,000,000)	(2,000,000,000)
PARENT COMPANY'S PREFERRED SHARES HELD BY A SUBSIDIARY - at cost	16			
Balance at beginning of year		(26,500,000)	(12,500,000)	(12,500,000)
Issuance of preferred shares series E		–	(14,000,000)	–
Balance at end of year		(26,500,000)	(26,500,000)	(12,500,000)
RETAINED EARNINGS				
Balance at beginning of year		5,263,177,339	5,547,760,292	4,912,544,253
Effect of adoption of PIC Q&A and IFRIC Agenda Decision		–	(513,103,622)	–
Balance at beginning of year, as restated		5,263,177,339	5,034,656,670	4,912,544,253
Net income		414,708,712	575,999,975	948,309,181
Dividends declared	16	(380,214,260)	(323,920,847)	(313,093,142)
Retirement of preferred shares series B		–	(23,558,459)	–
Balance at end of year		5,297,671,791	5,263,177,339	5,547,760,292
OTHER EQUITY RESERVES	16			
Balance at beginning of year		208,982,963	216,566,831	221,696,435
Net increase (decrease)		4,333,446	(7,583,868)	(5,129,604)
Balance at end of year		213,316,409	208,982,963	216,566,831
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		11,953,531,906	11,914,704,008	10,730,944,772

(Forward)

	Note	Years Ended December 31		
		2025	2024	2023
NON-CONTROLLING INTERESTS	4			
Balance at beginning of year		₱2,337,598,832	₱2,385,227,013	₱1,959,452,593
Effect of adoption of PIC Q&A and IFRIC Agenda Decision		–	(126,688,521)	–
Balance at beginning of year, as restated		2,337,598,832	2,258,538,492	1,959,452,593
Acquisition of shares of subsidiaries		364,500,200	92,684,400	2,158,740,700
Share in net income (loss)		(6,880,062)	182,375,940	440,674,503
Dividends attributable to non-controlling interests		–	(196,000,000)	(264,000,000)
Decrease in deposit for future stock subscription	4	–	–	(1,909,640,783)
Balance at end of year		2,695,218,970	2,337,598,832	2,385,227,013
		₱14,648,750,876	₱14,252,302,840	₱13,116,171,785

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱875,474,927	₱1,103,661,606	₱1,838,649,787
Adjustments for:				
Net gain on change in fair value of investment properties	10	(1,940,773,536)	(1,933,989,204)	(974,092,333)
Interest expense	14	1,542,217,302	1,481,978,933	1,016,185,458
Gain on assignment of advances	4	(204,831,916)	–	–
Realized gain on disposals of financial assets at FVPL	6	(83,029,771)	(84,031,978)	(73,157,830)
Interest income	5	(75,783,289)	(249,156,724)	(293,392,563)
Depreciation and amortization	11	70,607,775	68,585,147	62,752,127
Retirement expense	21	32,304,932	26,265,564	17,668,077
Gain on repossession of real estate for sale	9	(14,377,954)	(68,237,042)	(96,979,144)
Amortization of initial direct leasing costs	10	5,656,296	5,338,684	1,357,221
Unrealized holding gains on financial assets at FVPL	6	(2,321,476)	(12,176,374)	(858,794)
Unrealized foreign exchange loss (gain)	20	833,278	(2,446,735)	(4,437,686)
Loss (gain) on sale of property and equipment	11	–	(4,457,347)	857,717
Provision for impairment of deposits	12	–	16,002,600	–
Write-off of due from related parties	24	–	36,052,873	–
Loss (gain) on sale of investment properties	10	–	1,175,558	(1,198,576)
Operating income before working capital changes		205,976,568	384,565,561	1,493,353,461
Decrease (increase) in:				
Receivables		(1,261,205,670)	(945,591,672)	186,950,797
Contract assets		(1,525,480,007)	(2,527,455,500)	(1,688,412,772)
Real estate for sale		(3,491,226,429)	1,925,576,172	1,360,093,722
Input VAT		(449,023,178)	(137,385,003)	310,314,716
Other assets		206,428,084	(823,324,887)	(99,058,306)
Increase (decrease) in:				
Accounts and other payables		1,111,535,665	424,042,105	563,352,565
Contract liabilities		175,795,442	230,142,176	(33,119,220)
Net cash generated from (used for) operations		(5,027,199,525)	(1,469,431,048)	2,093,474,963
Income taxes paid		(357,097,492)	(289,052,304)	(279,150,204)
Interest received		143,745,971	249,230,697	275,193,665
Net cash provided by (used in) operating activities		(5,240,551,046)	(1,509,252,655)	2,089,518,424

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of:				
Financial assets at FVPL	6	₱14,469,997,394	₱12,703,597,809	₱14,476,907,911
Investment properties		–	75,007,366	26,777,400
Property and equipment	11	–	4,457,347	3,327,270
Additions to:				
Financial assets at FVPL	6	(12,760,000,000)	(13,625,494,489)	(13,034,704,753)
Software and licenses		(53,839,655)	(11,851,751)	–
Property and equipment	11	(33,944,897)	(20,426,598)	(47,655,856)
Investment properties	10	(16,472,918)	(62,937,252)	(15,505,405)
Net cash provided by (used in) investing activities		1,605,739,924	(937,647,568)	1,409,146,567
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Loans payable	14	19,343,558,116	10,010,967,199	6,957,798,522
Deposits for future stock subscriptions from non-controlling interests	4	60,500,200	92,684,399	249,099,917
Issuance of shares	16	–	2,452,367,598	–
Payments of:				
Loans payable	14	(13,136,165,857)	(8,739,021,960)	(7,552,224,045)
Bonds payable	25	(3,000,000,000)	–	–
Finance costs	25	(1,686,701,678)	(1,359,833,592)	(1,590,273,466)
Dividends	25	(426,949,995)	(474,474,297)	(758,500,714)
Advances from non-controlling interests	4	(167,600,000)	(92,000,000)	–
Lease liabilities	13	(15,845,305)	(5,568,750)	–
Redemption of preferred shares	16	–	(1,000,000,000)	–
Net cash provided by (used in) financing activities		970,795,481	885,120,597	(2,694,099,786)
NET EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS		(833,278)	2,446,735	4,437,686
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(2,664,848,919)	(1,559,332,891)	809,002,891
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,045,963,662	5,605,296,553	4,796,293,662
CASH AND CASH EQUIVALENTS AT END OF YEAR		₱1,381,114,743	₱4,045,963,662	₱5,605,296,553

		Years Ended December 31		
	Note	2025	2024	2023
COMPONENTS OF CASH AND CASH EQUIVALENTS				
	5			
Cash on hand		₱225,860	₱195,000	₱185,000
Cash in banks		994,966,262	1,171,587,035	1,672,414,790
Cash equivalents		385,922,621	2,874,181,627	3,932,696,763
		₱1,381,114,743	₱4,045,963,662	₱5,605,296,553
NONCASH FINANCIAL INFORMATION:				
Acquisition of land on account	13	₱1,860,247,000	₱-	₱-
Receivable from sale of interest and assignment of advances to subsidiary	4	724,831,916	-	-
Repossession of real estate for sale	9	511,837,729	1,479,643,756	303,422,533
Application of deposits for future stock subscriptions from non-controlling interests to preferred shares of a subsidiary	4	60,500,200	-	1,909,640,783
Initial recognition of :				
Right-of-use assets	11	38,246,000	29,028,000	-
Lease liabilities	13	38,246,000	29,015,160	-
Reclassification from real estate for sale to investment properties	9	27,679,792	-	939,186,494
Retirement of 20.0 million preferred shares series B	16	-	2,000,000,000	-
Reclassification from investment properties to real estate for sale	10	-	501,017,740	-
Reclassification from property and equipment to software	11	-	91,968	-

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025 AND 2024 AND FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024 AND 2023

1. General Information

Corporate Information

Arthaland Corporation (the Parent Company or ALCO) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 10, 1994. ALCO's common shares and preferred shares Series C, D and F are listed for trading in the Philippine Stock Exchange (PSE). The Parent Company is primarily engaged in real estate development and leasing.

The Parent Company is currently 37.94% owned by CPG Holdings, Inc. (CPG) and 26.02% owned by AO Capital Holdings 1, Inc. (AOCH1), both holding companies incorporated in the Philippines.

The registered office and principal place of business of the Parent Company is located at 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City (BGC), Taguig City.

Composition of the Group

The consolidated financial statements include the Parent Company and the following subsidiaries (collectively referred herein as “the Group”):

Subsidiary	Place of Incorporation	Effective Percentage of Ownership
Cazneau, Inc. (Cazneau)	Philippines	100%
Cebu Lavana Land Corp. (CLLC)	Philippines	100%
Manchesterland Properties, Inc. (MPI)	Philippines	100%
Urban Property Holdings, Inc. (UPHI)	Philippines	100%
Pradhana Land, Inc. (PLI)	Philippines	100%
Arthaland Property Prestige Solutions, Inc. (APPS)	Philippines	100%
Sotern Land Corporation (SLC)	Philippines	100%
Furusato Land Corporation (FLC)	Philippines	100%*
Bhavana Properties, Inc. (Bhavana)	Philippines	60%
Bhavya Properties, Inc. (Bhavya)	Philippines	60%
Kashtha Holdings, Inc. (KHI)	Philippines	60%
Zileya Land Development Corporation (ZLDC)	Philippines	60%
Savya Land Development Corporation (SLDC)	Philippines	59%**

**incorporated May 14, 2025*

***indirectly owned through KHI*

All of the subsidiaries were established to engage primarily either in real estate development or property leasing, except for APPS which is a property management company and KHI which is an investment holding company.

FLC

FLC was incorporated on May 14, 2025. On May 19, 2025, ALCO subscribed to 50.0 million common shares at the subscription price of ₱1 per share and 4.5 million preferred shares at the subscription price of ₱100 per share, for a total consideration of ₱500.0 million.

ZLDC

In December 2025, ALCO sold, transferred and conveyed in favor of SEAI Metro Manila One, Inc. ("SEAIMMO"), by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of its common and preferred shares, as well as its shareholder advances. The transfer of shares decreased the effective ownership of ALCO from 100% to 60% (see Note 4).

ALCO's Acquisition of Preferred Shares

In January 2025, ALCO subscribed to 7.1 million Preferred Shares Series B of ZLDC at a subscription price of ₱100 per share, for a total consideration of ₱710.0 million.

In August 2025, ALCO's Board of Directors approved the following resolutions:

- Subscription to 7.5 million preferred shares of SLC at a subscription price of ₱100 per share equivalent to ₱750.0 million. As at December 31, 2025, ALCO has paid an aggregate amount of ₱642.0 million.
- Subscription to 5.0 million common shares of FLC at a subscription price of ₱100 per share, or for a total consideration of ₱500.0 million.

Major Projects

Arya Residences

Arya Residences, located in Bonifacio Global City (BGC), Taguig City, is ALCO's first major development project consisting of Towers 1 and 2, completed in 2016. It is the first high-end residential condominium in the Philippines to be awarded Leadership in Energy and Environmental Design™ (LEED) Gold by the U.S. Green Building Council (USGBC) and a Building for Ecologically Responsive Design Excellence (BERDE) 4-Star by the Philippine Green Building Council (PHILGBC) in 2016 and 2018, respectively. In 2020, the project achieved a 3-Star certification under PHILGBC's Advancing Net Zero/PH (ANZ/PH) program. In 2025, Arya Residences earned the Health-Safety Rating from the International WELL Building Institute (IWBI), reinforcing its commitment to occupant health, safety, and sustainability.

Arthaland Century Pacific Tower (ACPT)

ACPT, ALCO's flagship office development in BGC, Taguig City, is a 30-storey AAA-grade office building designed by Skidmore, Owings & Merrill (SOM), commenced construction in 2014 and was completed in 2019. ACPT is recognized as the world's first building to achieve Excellence in Design for Greater Efficiencies (EDGE) Zero Carbon certification from the International Finance Corporation (IFC), a member of the World Bank Group, in 2019. This distinction complements its earlier certifications, including LEED Platinum and BERDE 5-Star, both awarded in 2018. In 2020, the building was also certified Net Zero Energy under PHILGBC's ANZ/PH program and since 2021, received the Health-Safety Rating from IWBI. The property is likewise registered as a PEZA Ecozone Facilities Enterprise (see Note 23).

Cebu Exchange Tower (CebEx)

CebEx, a 38-storey office development by Cebu Lavana Land Corp., is located in Barangay Lahug, Cebu City. CebEx was launched in 2016 and completed in 2023, with a gross floor area of 108,564 square meters (sqm) including the four levels of retail. CebEx is the largest multi-certified green and healthy building in the Philippines, designed to deliver a world-class workplace environment: LEED Gold in 2022, EDGE Advanced in 2023, and BERDE 5-Star in 2023. In 2025, it achieved EDGE Zero Carbon certification, making it the world's largest single-tower project to receive such recognition. It also holds the WELL Health-Safety Rating since 2022.

Sevina Park Projects

Sevina Park is an eight-hectare integrated, master-planned community in Laguna developed by Cazneau, Inc., with development commencing in 2018. Sevina Park is the first project in the Philippines to achieve LEED Platinum certification under the LEED for Neighborhood Development (LEED ND) rating system in 2020 and is likewise a pioneering recipient of a BERDE 5-Star certification under the BERDE for Districts rating system in 2022. Sevina Park includes several developments:

Courtyard Hall, a campus-style residential development within Sevina Park with approximately 4,000 sqm of gross floor area (GFA) designed for students and faculty, was completed in 2019.

Sevina Park Villas, launched in June 2019, comprises 108 single-family homes catering to starter families, with phased completion from 2021 to 2026; all four-bedroom villas are undergoing LEED certification, with the model unit achieving LEED Platinum in 2020, while all villa types secured EDGE Advanced preliminary certification in 2025.

Una Apartments, another residential component within Sevina Park, was launched in September 2022, with Tower 1 designed for resource efficiency, improved indoor air quality, and wellness-focused amenities. Tower 1 targets LEED, BERDE, EDGE, and WELL certifications and is expected to be completed by the fourth quarter of 2026. Tower 2 was launched in 2023, while Tower 3 in 2025. Additional residential towers are planned for future developments within Sevina Park.

Savya Financial Center

Savya is a two-tower office development by Savya Land Development Corporation, located in Arca South, Taguig City, and launched in February 2019. Savya has a GFA of 59,763 sqm, with both the North and South Towers completed in 2023. Savya achieved multiple certifications, including BERDE 5-Star certification in 2026 and WiredScore Gold certification in 2024. It has also received LEED Gold precertification and WELL precertification in 2021, EDGE Advanced preliminary certification in 2024, and WELL Health-Safety Rating since 2024.

Eluria Residences

Eluria is a low-density, ultra-luxury residential development by Bhavya Properties, Inc., located in the Makati CBD on a 916-sqm property acquired in 2019. Eluria Residences features 37 designer residences with a GFA of approximately 14,600 sqm and is scheduled for completion in 2026. Eluria Residences received LEED Gold precertification in 2020 and is on track to achieve additional certifications under EDGE, WELL, and BERDE.

Lucima Residences

Lucima is a premier, multi-certified sustainable high-rise residential development by Bhavana Properties, Inc., launched in July 2021 and located in Cebu Business Park, at the corner of Samar Loop Road and Cardinal Rosales Avenue. Lucima is being developed on a 2,245-sqm site with approximately 28,000 sqm of GFA and 265 residential units. It received LEED Gold precertification in 2020 and is targeting BERDE, EDGE, and WELL certifications. Handover to buyers of residential units is expected to commence in the first quarter of 2027.

LIV (formerly Project Teal)

LIV is a planned two-tower high-rise residential condominium development located on a 3,700-sqm lot along Katipunan Avenue, Barangay Loyola Heights, Quezon City, acquired by ALCO through its special purpose company, Sotern Land Corporation. LIV is intended to expand ALCO's residential portfolio by offering sustainably designed products to a broader market segment. The first tower, LIV North was launched in August 2025 and is expected to be completed by 2031. LIV is designed as a sustainable residential community and is targeting LEED, EDGE, WELL, and BERDE certifications.

Sondris (formerly Project Rock)

Sondris is a planned high-rise luxury residential development by Zileya Land Development Corporation, following its acquisition of a 100% interest in a 2,018-sqm property along Antonio Arnaiz Avenue in the Makati CBD in June 2025. Sondris, launched in February 2026, is envisioned as a sustainable, multi-certified development targeting LEED, BERDE, EDGE, and WELL certifications.

Project Vanilla

Project Vanilla is mixed-use, master planned development by ALCO through its wholly owned subsidiary, Furusato Land Corporation, involving fourteen parcels of land with a total aggregate area of approximately 5 hectares, all located in Banilad Road, Cebu City. Furusato holds 50% interest in Project Vanilla, while the remaining interest is held by its co-buyers, consistent with the acquisition structure designed for both parties to have equal ownership upon completion of the master planning and site development works. The acquisition of Project Vanilla is expected to be completed in phases from 2025 to 2028 to manage funding requirements.

Project Vanilla is envisioned as a sustainable community targeting LEED certification and will comprise multiple mixed-use towers. Six residential condominium towers within Project Vanilla are planned to be developed by Furusato Land Corporation and are expected to be launched in phases from 2026 to 2037, with corresponding phased completions beginning in 2031. Project Vanilla shall provide a steady pipeline of projects that are expected to contribute to ALCO's revenues over the long term.

Project Olive

Project Olive is a planned boutique, master-planned mixed-use development by ALCO through Pradhana Land Inc., involving the phased acquisition of approximately 3.6 hectares of land located at the entry of a prime CBD in Metro Manila, with an estimated net developable area of 2.6 hectares after road allocations. Project Olive is expected to benefit from major upcoming infrastructure developments. Project Olive is intended to be developed as a sustainable community targeting LEED certification and is expected to feature approximately twelve residential towers catering to both upscale and midscale markets, supported by retail and commercial components.

Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issue by the Board of Directors (BOD) on April 8, 2026 as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the consolidated financial statements has been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and investment properties, which are carried at fair value, net retirement liability which is carried at the present value of the defined benefit obligation less the fair value of plan assets, and lease liabilities which are initially carried at the present value of future lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring liability.

Changes in Comparative Cash Flow Information

In 2025, the Group identified certain items in the consolidated statements of cash flows for the year ended December 31, 2024 that required adjustment to ensure appropriate classification and aggregation. Accordingly, the comparative consolidated statements of cash flows for the year ended December 31, 2024 has been restated accordingly, resulting in an increase in net cash used in operating activities and in net cash provided by financing activities by ₱741.6 million.

In 2024, the Group reviewed the presentation of its consolidated statements of cash flows. As a result of this review, interest paid was reclassified from operating activities to financing activities to better reflect its nature as a financing cost and to improve comparability. This change was applied to the comparative information. Accordingly, interest paid in 2023 amounting to ₱1,590.3 million has been reclassified from operating activities to financing activities.

The changes had no impact on total net cash flows, net increase (decrease) in cash and cash equivalents, or cash and cash equivalents at the beginning and end of the years presented.

Adoption of Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2025. The amendments did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards applicable to the Group, which is not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, but is effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

The Group is currently assessing the potential impact of adopting PFRS 18. The adoption of PFRS 18 is not expected to have a material impact on the Group's consolidated financial position or consolidated financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the consolidated statements of comprehensive income and related disclosures.

Basis of Consolidation

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control and continue to be consolidated until the date such control ceases. The results of operations of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. If the Group retains interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at fair value through other comprehensive income (FVOCI) depending on the level of influence retained.

Non-controlling interest represents the portion of profit or loss and net assets not held by the Parent Company and is presented separately in the Group's consolidated statements of comprehensive income and within equity in the Group's consolidated statements of financial position, separate from equity attributable to equity holders of the Parent Company, respectively.

Financial Assets at Amortized Cost

The Group's financial assets at amortized cost include cash and cash equivalents, receivables (excluding accrued rent receivable), deposits, amounts held in escrow, and amounts held in trust. These financial assets are initially recognized at fair value plus directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses (ECL).

The Group recognizes expected credit losses on financial assets measured at amortized cost in accordance with Philippine Financial Reporting Standards (PFRS) 9, Financial Instruments. Depending on the nature of the financial asset, the Group applies either the simplified approach or the general approach in measuring ECL.

Trade receivables are assessed using the simplified approach. Under this approach, the Group recognizes lifetime ECL from the point of initial recognition, without assessing whether there has been a significant increase in credit risk.

Other financial assets, such as cash and cash equivalents, other receivables, deposits, and amounts held in escrow or in trust, are evaluated under the general approach. These financial assets are initially classified as Stage 1, for which a 12-month ECL is recognized. If there is a significant increase in credit risk since initial recognition, the financial assets are transferred to a higher stage and lifetime ECL is recognized.

In assessing ECL, the Group takes into account its historical credit loss experience, current observable data, and reasonable and supportable forward-looking information. This forward-looking information includes relevant macroeconomic indicators as well as counterparty-specific credit risk information.

Financial assets are derecognized when the contractual rights to receive cash flows have expired, or when the Group has transferred substantially all the risks and rewards of ownership.

Financial Assets at FVPL

The Group's investments in unit investment trust funds (UITF) are classified as financial assets at FVPL. These financial assets are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset have expired or when the Group has transferred substantially all the risks and rewards of ownership of the financial asset.

Financial Liabilities at Amortized Cost

The Group's accounts and other payables (excluding statutory payables, deferred output VAT, advances from buyers and advance rent) loans payable, bonds payable, and advances from non-controlling interests are classified as financial liabilities at amortized cost. The Group recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Creditable Withholding Taxes (CWT)

CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes. These are carried at cost less any impairment in value.

Value-Added Tax (VAT)

Revenue, expenses and assets are generally recognized net of the amount of VAT except in cases where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the tax authority is included as part of “Other assets” or “Accounts and other payables” accounts, respectively, in the consolidated statements of financial position.

Contract Balances

Contract Assets. A contract asset represents the Group’s right to a consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than a passage of time. Contract assets arise when revenue is recognized before the Group obtains an unconditional right to consideration. When the Group’s right to consideration becomes unconditional, the contract asset is reclassified to trade receivables. Contract assets primarily relate to unbilled amounts arising from real estate sales recognized over time using percentage of completion (POC) method.

Contract assets are assessed for impairment using the simplified ECL approach under PFRS 9, with lifetime ECL recognized from initial recognition.

Contract Liabilities. Contract liabilities represent the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration or for which consideration is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is received or when the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Group satisfies its performance obligations under the contract.

Real Estate for Sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes acquisition cost plus any other directly attributable costs of developing the asset to its saleable condition and location. Directly attributable costs include amounts paid to contractors, planning and designing costs, costs of site preparation and construction overheads.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs to complete and the estimated costs to sell. NRV is determined with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

The Group uses fair value model for the accounting of its investment properties. Under this method, investment properties are initially measured at cost but are subsequently remeasured at fair value at each reporting date, which reflects market conditions at the reporting date. The fair value of investment properties is determined using income approach, market data approach and cost approach by an independent real estate appraiser. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these consolidated financial statements, in order to avoid double counting, the fair value reported in the consolidated financial statements is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and minimum lease payments.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For transfers from real estate for sale to investment property, the property is measured at its fair value at the date of change in use. Any difference between the fair value and the property's previous carrying amount as real estate for sale is recognized in profit or loss.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sell. For transfers from investment property carried at fair value to real estate for sale, the fair value of the investment property at the date of change in use is treated as its deemed cost for subsequent accounting as real estate for sale in accordance with PAS 2, *Inventories*.

Investment properties are derecognized when either those have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of comprehensive income in the year of retirement or disposal.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment losses.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	<u>Number of Years</u>
Building and building improvements	50
Transportation equipment	3 to 5
Office equipment	3 to 5
Furniture and fixtures	3
Leasehold improvements	3 to 5 or lease term, whichever is shorter
ROU assets	3 to 5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the account until they are no longer in use and no further change for depreciation is made in respect to those assets.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Other Assets

Advances for Project Development and Land Acquisition. Advances for project development and land acquisition are recognized when the Group makes advance payments for its purchase of land, goods and services. These are measured at transaction price less impairment in value, if any.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Prepaid Commission. The Group recognizes an asset for the incremental cost of obtaining a contract with a customer if the Group expects to recover those costs. Otherwise, those costs are recognized as expense when incurred. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract such as, but not limited to, sales commissions paid to sales agents and nonrefundable direct taxes incurred in obtaining a contract. Paid sales commissions are recognized as "Prepaid commission" under "Other assets" account and amortized consistent with the revenue recognition method of the Group. Amortization of sales commission is presented as part of "Operating expenses".

Software and Licenses. Software and licenses are stated at cost less accumulated amortization and any impairment losses. Software and licenses are being amortized on a straight-line basis over ten (10) years and amortization is recognized in profit or loss. Amortization period and amortization method is reviewed at each reporting date. Any change in the useful life of the asset or the expected pattern of consumption of the future economic benefits embodied in the asset is recognized prospectively.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is any indication that a nonfinancial asset may be impaired. When such indicators exist, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its value in use and fair value less costs of disposal. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognized in profit or loss. For assets that do not generate independent cash flows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

Impairment losses are recognized in profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

Debt Issue Costs

Debt issue costs that are directly attributable to the acquisition of borrowings are deducted from the carrying amount of the related financial liability at initial recognition. These costs are amortized over the term of the borrowings using the effective interest rate method and are recognized as part of interest expense in profit or loss. When the related borrowing is extinguished, any unamortized debt issue costs are recognized immediately in profit or loss.

Advances from Buyers

Advances from buyers represent payments received from prospective buyers prior to the execution of a contract to sell. These amounts are initially recognized as liabilities and are included under accounts and other payables account in the consolidated statements of financial position. Upon execution of the contract to sell, these advances are reclassified to contract liabilities and are subsequently applied against the total contract price of the real estate sale.

Capital Stock

Common Stock. Common stock is measured at par value for all shares issued.

Preferred Stock. The Group's preferred stocks is cumulative, nonvoting, nonparticipating and nonconvertible. Preferred stock is classified as equity if this is nonredeemable, or redeemable only at the Group's option, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred stock is classified as a liability if this is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as incurred.

Additional Paid-in Capital

Additional paid-in capital is the proceeds and/or fair value of considerations received in excess of par value of the subscribed capital stock. Incremental costs incurred directly attributable to the issuance of new shares are recognized as deduction from equity, net of any tax. Otherwise, these are recognized as expense in profit or loss.

Treasury Shares

Treasury shares represent the Parent Company's own equity instruments that have been reacquired and are recognized as a deduction from equity. Treasury shares are measured at cost and presented as a deduction within equity in the consolidated statements of financial position.

No gain or loss is recognized in profit or loss on the purchase, sale, issuance, or cancellation of the Parent Company's own equity instruments. Any difference between the consideration received and the carrying amount of treasury shares is recognized directly in equity.

Parent Company's Shares Held by a Subsidiary

Shares of the Parent Company held by a subsidiary are carried at cost and are deducted from equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration and prior period adjustments.

Other Equity Reserves

Other equity reserves comprise of items of income and expense that are not recognized in profit or loss for the year. This includes other comprehensive income (OCI) that pertains to cumulative remeasurement gains (losses) on net retirement asset (liability).

Basic and Diluted Earnings per Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to common equity holders of the Parent Company by the weighted average number of issued, subscribed and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effects of any potentially dilutive convertible securities.

Revenue Recognition

The following specific recognition criteria must also be met before revenue is recognized.

Revenue from Contract with Customers. Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer in an amount that reflects the consideration to which the Group expected to be entitled in exchange for those goods and services.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Revenue from Real Estate Sales. Revenue from real estate sales is recognized when control of the asset is transferred to the customer, either over time or at a point in time, depending on the terms of the contract and the nature of the Group's performance obligations.

For real estate sales under pre-completion contracts, the Group recognizes revenue over time as the performance obligation is satisfied, provided that all of the following criteria are met: (a) the contract to sell (CTS) is valid and enforceable; (b) the Group's performance does not create an asset with an alternative use to the Group; and (c) the Group has an enforceable right to payment for performance completed to date. The Group also assesses the collectability of consideration based on the customer's ability and intention to pay.

For contracts that qualify for over-time recognition, revenue is measured based on the stage of completion using the input method, determined as the proportion of costs incurred to date relative to the total estimated costs of the project.

For completed real estate units, revenue is recognized at a point in time when control of the asset is transferred to the customer, generally upon turnover of the unit and when the significant risks and rewards of ownership have been transferred.

When a contract contains a significant financing component, the transaction price is adjusted to reflect the time value of money. The resulting interest income or expense is recognized separately in profit or loss.

In the event of contract cancellation due to buyer default, the Group derecognizes the related contract asset and receivable balances and recognizes the repossessed property at its fair value less costs to repossess, with any resulting gain or loss recognized in profit or loss. Accordingly, the consideration is not adjusted for the effects of the time value of money.

For tax purposes, full recognition is applied when more than 25% of the selling price has been collected in the year of sale. Otherwise, the installment method is applied.

Leasing Revenue. Leasing revenue consists of rental income and common use service area (CUSA) fees. Rental income from operating leases of investment properties is recognized on a straight-line basis over the lease term, except for variable lease payments, which are recognized in the period in which they are earned. Lease incentives granted to tenants are recognized as a reduction of rental income on a straight-line basis over the lease term. The lease term comprises the non-cancellable period of the lease together with periods covered by an option to extend the lease, when the lessee is reasonably certain to exercise that option at lease commencement.

CUSA fees are recognized as revenue over time as the related services are rendered. These are typically billed monthly and are based on the lessee's proportionate share of common area costs.

Amounts received from tenants for lease termination or as compensation for dilapidation are recognized in profit or loss when the Group's right to receive payment is established.

Property Management Fees. Revenue is recognized in profit or loss when the related services are rendered.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expenses Recognition

Cost of Real Estate Sales. Cost of real estate sales is recognized consistent with the revenue recognition method applied.

Cost of Leasing Operations. Cost of leasing operations, which constitute direct cost incurred in relation to the leasing of properties of the Group is recognized as expense when incurred.

Cost of Services. Cost of services, which constitute direct cost incurred in relation to the provision of property management services, is recognized as expense when services are rendered.

Operating Expenses. Operating expenses constitute cost of administering the business and cost incurred to sell and market its products and services. These are recognized as incurred.

Finance Costs. Finance costs are recognized in profit or loss using the effective interest method.

Share-based Compensation

The Parent Company has a stock option plan covering employees, officers and directors, whereby employees render services for shares or rights over shares (“equity-settled transaction”). The rights granted under the plan are not assignable and nontransferable. The cost of the equity-settled transactions is measured by reference to the fair value of the stock options on the date that it was granted. Stock options reserve presented as part of “Equity” is measured at fair value of the share options as at reporting date when the options are exercised, forfeited or lapsed.

Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether a contract contains a lease at inception and for each separate lease component.

The Group as a Lessor. Leases in which the Group retains substantially all the risks and rewards of ownership are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Variable lease payments are recognized as income in the period in which they are earned.

The Group as Lessee. At the commencement date, the Group recognizes a right-of-use (ROU) asset and a lease liability for all lease commitments, except for short-term leases (with a lease term of 12 months or less) and leases of low-value assets. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ROU Assets. At commencement date, ROU assets are measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred.

Subsequently, ROU assets are carried at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the related lease liabilities. ROU assets are depreciated over the shorter of the lease term and the useful life of the underlying asset.

Lease Liabilities. At commencement date, lease liabilities are measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease, if readily determinable, or otherwise the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or rate (initially measured using the index or rate at commencement date), and amounts expected to be payable under residual value guarantees.

Lease liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss unless it is capitalized as part of the cost of another asset.

Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Group has a funded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs and net interest expense or income in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs.

Remeasurements pertaining to actuarial gains and losses and return on plan assets are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the retirement liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets against which the obligations are to be settled directly, adjusted for any effect of asset ceiling. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. The asset ceiling is the present value of future economic benefits available in the form of refunds from the plan or reductions in future contribution to the plan.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted, that is, when the investment property is depreciable and is held within the business model whose objective is consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax relating to items recognized outside profit or loss is recognized under OCI and outside profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Related Party Transactions

Related party transactions are transfer of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the investee that gives them significant influence over the investee and close members of the family of any such individual; (d) the Group's funded retirement plan; and (e) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment reporting a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 30.

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated statements of financial position when an inflow of economic benefits is probable.

Events After the Reporting Period

Any post-year-end event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are continually evaluated and are based on historical experience and other factors considered reasonable under the circumstances. Actual results may differ from these estimates.

Judgments

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

Classifying Financial Instruments. The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Group's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Determining Control or Joint Control over an Investee Company. Control is presumed to exist when an investor has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group has determined that by virtue of the Parent Company's majority ownership of voting rights in its subsidiaries as at December 31, 2025 and 2024, it has the ability to exercise control over these investees.

Determining Revenue Recognition Method and Measure of Progress. The Group recognizes revenue from the sale of real estate units over time as the performance obligation is satisfied. In applying PFRS 15, *Revenue from Contracts with Customers*, management exercises judgment in determining that the criteria for over-time revenue recognition are met. Management concluded that the Group's performance does not create an asset with an alternative use to the Group because the real estate unit promised in the contract is specifically identified and the Group is contractually restricted from redirecting the unit to another customer without breaching the contract.

Management also determined that the Group has an enforceable right to payment for performance completed to date, including a reasonable margin, in the event the contract is terminated by the customer other than for the Group's failure to perform.

In addition, management exercises judgment in determining that the input method based on costs incurred relative to total estimated project costs appropriately measures the Group's progress in satisfying the performance obligation because construction costs incurred are considered to be proportionate to the Group's efforts in transferring control of the real estate unit to the customer.

The amount of revenue from real estate sales recognized based on POC in 2025, 2024 and 2023 are disclosed in Note 17. The related cost of real estate sales in 2025, 2024 and 2023 are presented in the consolidated statements of comprehensive income.

Assessing Significant Financing Component on Real Estate Sales. The Group evaluates whether contracts with customers contain a significant financing component. A significant financing component exists when the agreed timing of payments provides a significant benefit to either party. In assessing the existence of significant financing component, the Group considers the following factors:

- The length of time between the transfer of the real estate property and the payments.
- Whether the consideration amount would differ significantly at the time of transfer.
- The interest rate in the prevailing market.

The amount of interest from real estate sales in 2025 and 2024 is disclosed in Note 17.

Classifying Real Estate for Sale, Investment Properties and Property and Equipment. The Group exercises judgment in determining whether a property should be classified as real estate for sale (inventory), investment properties, or property and equipment.

Real estate for sale represents properties held for sale in the ordinary course of business, including land and properties acquired or developed for the purpose of sale to customers.

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Properties that are used for administrative purposes or in the Group's operations and are not intended for sale in the ordinary course of business, are classified as property and equipment and accounted for in accordance with PAS 16, *Property, Plant and Equipment*.

In making this judgment, management considers several factors including:

- The purpose for which the property was acquired;
- The Group's business model and development plan;
- The expected manner of realization of economic benefit; and
- The historical pattern of sales of similar properties.

Changes in management's intention regarding the use of a property may result in a reclassification between real estate for sale, investment properties, and property and equipment. Any changes in management's intention and the related reclassifications are disclosed accordingly.

The carrying amounts of real estate for sale, investment properties and property and equipment as at December 31, 2025 and 2024 are disclosed in Notes 9, 10 and 11, respectively.

Determining the Highest and Best Use of Investment Properties. The Group determines the highest and best use of its investment properties when measuring fair value. In making its judgment, the Group takes into account the use of the investment properties that is physically possible, legally permissible and financially feasible. The Group has determined that the highest and best use of the investment properties is their current use.

The carrying amounts of investment properties as at December 31, 2025 and 2024 are disclosed in Note 10.

Determining Lease Commitments - Group as Lessor. The Group entered into various lease contracts for its office units in ACPT, retail units in Arya Residences, office units in Savva Financial Center, commercial and office units in Cebu Exchange, and dormitory units in Sevina Park's Courtyard Hall.

The Group has determined that the risks and benefits of ownership related to the leased properties are retained by the Group. Accordingly, the leases are accounted for as operating leases.

The amount of revenue from leasing operations recognized from these operating leases in 2025, 2024 and 2023 are disclosed in Note 22.

Classifying Lease Commitments - Group as a Lessee. The Group has entered into lease agreements as a lessee. For these leases, the Group availed of the exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on short-term leases were recognized as expense on a straight-line basis over the lease term. Rent expense on short-term leases on land and building with less than 12 months term are disclosed in Note 22.

Additionally, the Group has existing non-cancellable lease agreements for transportation equipment for a period of three (3) to five (5) years. Accordingly, ROU assets and lease liabilities have been recognized. The carrying amounts of ROU assets and lease liabilities are disclosed in Notes 11 and 13, respectively.

Accounting Estimates and Assumptions

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Recognizing Revenue and Measuring Progress. The Company recognizes revenue from real estate sales over time using the cost-to-cost input method. The measure of progress is based on costs incurred relative to total estimated construction costs.

Significant estimation is required in determining the total estimated construction costs of each real estate development project. These estimates include costs relating to land development, construction materials, labor, professional fees, permits, and other project-related costs.

The estimated construction costs are reviewed periodically and updated to reflect changes in project scope, construction progress, market conditions, and other relevant factors. Changes in estimated total construction costs may result in adjustments to the POC and revenue recognized.

Estimating Project Costs and Contract Profitability. The Company also exercises judgment in estimating the expected profitability of development projects. When it becomes probable that total project costs will exceed total contract revenues, the expected loss is recognized immediately.

Revisions to project cost estimates and contract profitability may arise from:

- Changes in construction costs;
- Variations in project specifications;
- Changes in regulatory requirements; and
- Other factors affecting the development process.

Changes in estimates are accounted for prospectively in the period in which they are identified. During 2025, management revised its estimate of the total project development costs of Bhavana's Lucima project, which affected the cost of real estate sales. The change in estimate was applied prospectively in accordance with *PFRS 15, Revenue from Contracts with Customers*.

The amount of revenue from real estate sales recognized based on POC and the related cost of real estate sales incurred in 2025, 2024 and 2023 are disclosed in Notes 17 and 9, respectively.

Estimating the Fair Value of Investment Properties. Investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The Group estimates expected future cash flows, yields, occupancy rates and discount rates. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

The carrying amounts of investment properties as at December 31, 2025 and 2024 are disclosed in Note 10.

Determining the NRV of Real Estate for Sale. Real estate for sale is stated at lower of cost or NRV. NRV for completed real estate for sale is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate assets under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less estimated costs to sell. The determination of NRV requires significant estimation, particularly with respect to future selling prices and remaining development costs, which are influenced by market demand, construction cost trends, and other economic factors. Changes in these assumptions may result in adjustments to the carrying amount of real estate for sale in future periods.

No provision for inventory obsolescence was recognized in 2025, 2024 and 2023.

The carrying amounts of real estate for sale as at December 31, 2025 and 2024 are disclosed in Note 9.

Assessing the ECL on Trade Receivables and Contract Assets. The Group assessed the ECL on trade receivables and contract assets and concluded that the resulting impairment is not material, taking into account historical collection experience and the underlying collateral provided by the related real estate units.

No provision for ECL was recognized in 2025, 2024 and 2023. The carrying amounts of the Group's trade receivables and contract assets as at December 31, 2025 and 2024 are disclosed in Notes 7 and 8, respectively.

Assessing the ECL on Other Financial Assets at Amortized Cost. The Group assesses ECL on other financial assets at amortized cost using the general impairment model under PFRS 9. In estimating ECL, management considers the probability of default and potential loss given default over the expected life of the financial assets.

The Group's exposure to credit risk primarily relates to cash and cash equivalents deposited with banks, nontrade and other receivables, and refundable deposits. Cash deposits are placed with reputable financial institutions with high credit ratings and are therefore considered to have low credit risk. For nontrade and other receivables and refundable deposits, credit risk is also considered low as the Group transacts with related parties and reputable counterparties with strong capacity to meet their contractual cash flow obligations in the near term.

The Group considers financial assets that are more than 30 days past due as having experienced a significant increase in credit risk, unless there is reasonable evidence that the delay in payment does not indicate increased credit risk.

Based on this assessment, no provision for ECL on these financial assets was recognized in 2025, 2024 and 2023.

The carrying amounts of other financial assets at amortized cost are disclosed in Notes 5, 7 and 12.

Estimating the Useful Lives of Property and Equipment and Software and Licenses. The Group reviews annually the estimated useful lives of property and equipment and software and licenses based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property and equipment and software and licenses.

There were no changes in the estimated useful lives of property and equipment and software and licenses in 2025, 2024 and 2023.

The carrying amounts of property and equipment and software and licenses as at December 31, 2025 and 2024 are disclosed in Note 11 and 12, respectively.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In making this assessment, management considers both external and internal sources of information, including changes in market conditions, asset performance, and physical condition.

Based on management's assessment, no impairment loss on nonfinancial assets was recognized in 2025, 2024, and 2023.

The carrying amounts of nonfinancial assets are disclosed in Notes 7, 9, 10, 11 and 12.

Estimating Retirement Liability. The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 21 and include among others, discount rate and salary increase rate. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect net retirement liability.

The carrying amounts of net retirement liability as at December 31, 2025 and 2024 are disclosed in Note 21.

Assessing the Realizability of Deferred Tax Assets. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO is based on the projected taxable income in the following periods. Based on the projection, not all future deductible temporary differences will be realized, therefore, certain portion of deferred tax assets was not recognized.

As at December 31, 2025 and 2024, the carrying amounts of deferred tax assets are disclosed in Note 23.

4. Material Non-Controlling Interests

The Group's non-controlling interests amounting to ₱2,695.2 million, ₱2,337.6 million, and ₱2,385.2 million as at December 31, 2025, 2024 and 2023, respectively, pertain to interests in SLDC, KHI, Bhavana, Bhavya, and ZLDC.

SLDC

Non-controlling interest over SLDC is 41% as at December 31, 2025, 2024 and 2023.

On March 17 and December 17, 2023, the BOD approved the subscription of HHI to 19.1 million and 2.1 million convertible preferred shares at ₱100 per share or a total amount of ₱2,114.5 million. The subscription was paid through the conversion of HHI's deposit for future stock subscription amounting to ₱1,909.6 million and through cash amounting to ₱204.9 million.

Additional paid-in capital arising from the subscription of the convertible preferred shares aggregated ₱2,093.0 million.

On October 25 and November 29, 2024, the BOD approved the subscription of convertible preferred shares by Help Holdings Inc. (HHI) to 147,900 shares and 58,944 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱20.7 million. The subscription was fully paid through the conversion of HHI's prior advances to the Corporation in the same amount.

Net income of SLDC allocated to non-controlling interests amounted to ₱137.3 million in 2025, ₱150.2 million in 2024 and ₱23.7 million in 2023, which were determined based on the agreement between ALCO and HHI.

On February 23, 2024, SLDC's BOD approved the declaration of cash dividends amounting to ₱390.0 million or ₱780 per share to all stockholders of record on March 12, 2024. The dividends were paid on March 20, 2024.

On June 20, July 25, September 19, and December 11, 2025, the SLDC's BOD approved the subscription of convertible preferred shares by HHI to 27,597 shares, 89,752 shares, 41,156 shares and 446,497 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱2.8 million, ₱9.0 million, ₱4.1 million, and ₱44.6 million, respectively. The subscription was fully paid to SLDC through the conversion of HHI's deposit for future stock subscription. The deposit for future stock subscription was received in 2025 and converted in full during the same year.

The summarized financial information of SLDC, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024	
Current assets	₱4,456,029,996	₱4,567,120,456	
Noncurrent assets	886,761,640	747,296,912	
Current liabilities	(2,803,366,800)	(2,476,471,473)	
Noncurrent liabilities	(216,283,888)	(564,042,530)	
Net assets	₱2,323,140,948	₱2,273,903,365	

	2025	2024	2023
Revenue	₱273,184,403	₱185,019,836	₱2,392,608,813
Expenses	(281,370,185)	(210,296,874)	(1,346,462,251)
Operating income (loss)	(8,185,782)	(25,277,038)	1,046,146,562
Finance cost	(124,775,227)	(141,177,624)	(130,048,494)
Other income - net	118,109,810	242,994,847	100,760,291
Income (loss) before income tax	(14,851,199)	76,540,185	1,016,858,359
Provision for (benefit from) income tax	(3,588,582)	20,229,203	253,662,465
Net income (loss)	(₱11,262,617)	₱56,310,982	₱763,195,894

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₱44,557,574)	₱177,112,620	₱1,026,911,397
Investing activities	121,616,959	75,894,082	188,716,135
Financing activities	(64,684,062)	(631,925,283)	(1,013,845,574)
Net increase (decrease) in cash and cash equivalents	12,375,323	(378,918,581)	201,781,958
Cash and cash equivalents at beginning of year	137,800,805	516,719,386	314,937,428
Cash and cash equivalents at end of year	₱150,176,128	₱137,800,805	₱516,719,386

KHI

The Group has 40% non-controlling interest in KHI. The net income (loss) of KHI allocated to non-controlling interests amounted to (₱60.5 million) in 2025, (₱38.2 million) in 2024 and ₱295.8 million in 2023, which were determined based on capital contribution.

On August 25, 2023, KHI's BOD approved the declaration of cash dividends amounting to ₱530.0 million or ₱42.4 per share to all stockholders of record on September 11, 2023. The cash dividends were paid on September 18, 2023.

On February 23, 2024, KHI's BOD approved the declaration of cash dividends amounting to ₱390.0 million or ₱31.2 per share to all stockholders of record on March 12, 2024. The cash dividends were paid on March 21, 2024. Additionally, the BOD approved to repay the advances to ALCO amounting to ₱138.0 million and to MEC amounting to ₱92.0 million.

The summarized financial information of KHI, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2021 is as follows:

	2025	2024	
Current assets	₱133,454,689	₱355,985,185	
Noncurrent assets	50,327,327	51,450,194	
Current liabilities	(163,167,627)	(384,148,252)	
Net assets	₱20,614,389	₱23,287,127	

	2025	2024	2023
Other income - net	₱3,514,458	₱404,844,820	₱548,697,258
Expenses	(6,117,487)	(16,205,067)	(18,194,724)
Income (loss) before income tax	(2,603,029)	388,639,753	530,502,534
Provision for income tax	69,709	381,050	532,571
Net income (loss)	(₱2,672,738)	₱388,258,703	₱529,969,963

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₱3,527,965)	(₱3,625,701)	₱469,889,770
Investing activities	224,000,000	629,418,292	521,374,717
Financing activities	(224,000,000)	(624,265,253)	(988,793,999)
Net increase (decrease) in cash and cash equivalents	(3,527,965)	1,527,338	2,470,488
Cash and cash equivalents at beginning of year	4,686,779	3,159,441	688,953
Cash and cash equivalents at end of year	₱1,158,814	₱4,686,779	₱3,159,441

Bhavana and Bhavya

In 2025, net income (loss) of Bhavana and Bhavya allocated to non-controlling interests amounted to (₱149.8 million) and ₱66.0 million, respectively, which were determined based on capital contribution. In 2024, net income of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱50.0 million and ₱20.4 million, respectively. In 2023, net income of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱78.3 million and ₱42.9 million, respectively.

In 2023, Narra also subscribed to 442,000 preferred shares of Bhavya for a total subscription amount of ₱44.2 million.

On February 16, 2023, Bhavana's BOD approved the appropriation of ₱110.0 million retained earnings to provide additional reserves for the ongoing construction of Lucima.

On March 20, 2024, Bhavya's BOD approved the subscription of Narra to 300,000 Bhavya's preferred shares of Bhavya at the price of ₱100 per share, or a total of ₱30.0 million. The subscription was fully paid in the same month. Moreover, in October and December 2024, Narra subscribed to an additional 240,000 preferred shares at the price of ₱100 per share for ₱24.0 million.

In December 2024, Narra subscribed to 180,000 preferred shares of Bhavana at the price of ₱100 per share, or a total of ₱18.0 million.

The summarized financial information of Bhavana, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024
Current assets	₹3,355,264,128	₹3,456,855,114
Noncurrent assets	90,900,806	50,844,308
Current liabilities	(2,200,516,259)	(1,847,265,788)
Noncurrent liabilities	(1,442,881,885)	(1,483,272,161)
Net assets	(₹197,233,210)	₹177,161,473

	2025	2024	2023
Revenue	₹755,761,469	₹1,498,794,548	₹1,512,300,615
Expenses	(1,261,246,647)	(1,339,717,677)	(1,257,960,075)
Operating income (loss)	(505,485,178)	159,076,871	254,340,540
Other income - net	6,499,591	8,359,714	6,632,700
Income (loss) before income tax	(498,985,587)	167,436,585	260,973,240
Provision for (benefit from) income tax	(124,590,904)	42,417,787	65,161,316
Total comprehensive income (loss)	(₹374,394,683)	₹125,018,798	₹195,811,924

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₹136,216,446)	(₹78,870,446)	(₹142,388,675)
Investing activities	545,223	91,277,535	(27,067,756)
Financing activities	46,464,874	38,823,281	177,775,984
Net increase (decrease) in cash and cash equivalents	(89,206,349)	51,230,370	8,319,553
Cash and cash equivalents at beginning of year	113,393,002	62,162,632	53,843,079
Cash and cash equivalents at end of year	₹24,186,653	₹113,393,002	₹62,162,632

The summarized financial information of Bhavya, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024
Current assets	₹4,042,066,991	₹2,504,747,283
Noncurrent assets	313,596,170	312,474,027
Current liabilities	(2,630,902,076)	(1,178,025,349)
Noncurrent liabilities	(1,397,283,538)	(1,476,838,682)
Net assets	₹327,477,547	₹162,357,279

	2025	2024	2023
Revenue	₱1,373,074,624	₱777,396,827	₱565,910,408
Expenses	(1,144,290,425)	(712,038,594)	(426,187,267)
Operating income	228,784,199	65,358,233	139,723,141
Other income - net	3,431,300	4,858,118	3,185,506
Income before income tax	232,215,499	70,216,351	142,908,647
Provision for income tax	67,095,231	19,118,170	35,766,156
Total comprehensive income	₱165,120,268	₱51,098,181	₱107,142,491

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₱709,009,347)	(₱398,524,546)	(₱449,043,721)
Investing activities	(591,614)	21,740,678	(35,224,623)
Financing activities	671,257,360	402,074,916	474,316,962
Net increase (decrease) in cash and cash equivalents	(38,343,601)	25,291,048	(9,951,382)
Cash and cash equivalents at beginning of year	63,463,614	38,172,566	48,123,948
Cash and cash equivalents at end of year	₱25,120,013	₱63,463,614	₱38,172,566

ZLDC

In December 2025, ALCO sold, transferred and conveyed in favor of SEAIMMO, by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of its common and preferred shares, or 200,000 common shares and 2,840,000 Preferred Shares Series B thereof, as well as its shareholder advances aggregating ₱216.0 million. The transfer of shares decreased the effective ownership of ALCO from 100% to 60%. The assignment of advances resulted to a gain of ₱204.8 million (see Note 20). As at December 31, 2025, ALCO has a receivable from SEAIMMO related to the sale and assignment of advances amounting to ₱724.8 million (see Note 7). The amount was subsequently received in January 2026.

As at December 31, 2025, the Group has 40% non-controlling interest in ZLDC.

The summarized financial information of ZLDC, before intercompany eliminations, as at and for the year ended December 31, 2025 is as follows:

Current assets	₱2,478,182,540
Noncurrent assets	81,502,198
Current liabilities	(13,299,985)
Noncurrent liabilities	(1,842,553,338)
Net assets	₱703,831,415
Expenses	₱28,677,254
Finance costs	29,940,894
Interest income	(654,696)
Loss before income tax	57,963,452
Benefit from income tax	(15,731,941)
Total comprehensive loss	₱42,231,511

Net cash flows provided by (used in):	
Operating activities	(P1,820,568,759)
Financing activities	1,843,547,015
Net increase in cash and cash equivalents	22,978,256
Cash and cash equivalents at beginning of year	25,412,714
Cash and cash equivalents at end of year	P48,390,970

Advances from Non-Controlling Interests

The Group has the following transactions with the non-controlling interests:

	Amount of Transactions		Outstanding Balance	
	2025	2024	2025	2024
Advances for Project				
Development				
HHI	P-	P-	P417,919,597	P495,919,597
Narra	-	-	411,200,000	411,200,000
SEAIMMO	216,000,000	-	216,000,000	-
MEC	-	-	13,400,000	103,000,000
			P1,058,519,597	P1,010,119,597

SLDC, KHI, Bhavana and Bhavya received advances from related parties. All outstanding balances are unsecured, payable on demand and in cash, and interest-bearing except for advances from HHI.

In 2025, KHI and SLDC paid advances to MEC and HHI amounting to P89.6 million and P78.0 million, respectively. In 2024, KHI paid advances to MEC amounting to P92.0 million.

5. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P225,860	P195,000
Cash in banks	994,966,262	1,171,587,035
Cash equivalents	385,922,621	2,874,181,627
	P1,381,114,743	P4,045,963,662

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations. Cash equivalents are short-term placements made for varying periods up to three (3) months or less and earn interest at the prevailing short-term investment rates.

Interest income is earned from the following (see Note 20):

	2025	2024	2023
Cash in banks	P2,350,323	P2,872,629	P4,275,164
Cash equivalents	73,432,966	246,284,095	289,117,399
	P75,783,289	P249,156,724	P293,392,563

6. Financial Assets at FVPL

Financial assets at FVPL are investments in unit investment trust funds.

Movements in this account are as follows:

	Note	2025	2024
Balance at beginning of year		₱1,895,958,320	₱877,853,288
Additions		12,760,000,000	13,625,494,489
Disposals		(14,386,967,623)	(12,619,565,831)
Unrealized holding gains	20	2,321,476	12,176,374
Balance at end of year		₱271,312,173	₱1,895,958,320

Realized gain on disposals of financial assets at FVPL amounted to ₱83.0 million, ₱84.0 million and ₱73.2 million in 2025, 2024, and 2023, respectively (see Note 20).

The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices (see Note 28).

7. Receivables

This account consists of:

	Note	2025	2024
Trade receivables from:			
Sale of real estate		₱2,426,309,549	₱1,390,508,427
Leasing	22	100,615,456	163,093,802
Receivable from sale of interest in subsidiary	4	724,831,916	–
Advances to employees		19,101,526	14,462,155
Interest receivable		14,192	67,976,874
Other receivables		146,051,720	137,380,821
		3,416,924,359	1,773,422,079
Allowance for ECL		(1,746,790)	(1,746,790)
		₱3,415,177,569	₱1,771,675,289

Trade receivables from sale of real estate relate to sale of condominium units, retail units, lots, and residential townhouses that were already billed and which are generally collectible in monthly installments over a maximum period of three (3) years. Titles to the units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Trade receivables from leasing operations are non-interest bearing, unsecured and collectible within seven (7) days from billing date.

Advances to employees represent salary and other loans granted to employees which are non-interest bearing in nature and collectible through salary deductions.

Interest receivable includes accrual of interest from the Group's short-term placements.

Other receivables mainly include accrued rent receivables (see Note 22), other charges, and advances which are non-interest bearing and collectible on demand.

8. Contract Assets and Contract Liabilities

The Group's contract assets and contract liabilities are as follows:

	2025	2024
Contract assets	₱8,891,243,368	₱7,625,261,813
Contract liabilities	595,701,610	428,492,840
Net contract assets	₱8,295,541,758	₱7,196,768,973

Contract assets pertain to receivables from the sale of condominium and office units and residential townhouses of the Group representing the excess of cumulative revenues from real estate sales over billed amounts. These amounts will be billed and collected in accordance with the agreed payment terms with the buyers, which is normally up to maximum of three (3) years. Increase in contract assets pertains to the additional revenues over billed receivables during the year.

Contract liabilities pertain to downpayments received from the real estate buyers at the inception of the contracts in which the related revenue is not yet recognized at the end of the year.

Movements in the contract assets account are as follows:

	2025	2024
Balance at beginning of year	₱7,625,261,813	₱5,540,326,910
Increase due to satisfaction of performance obligation over time	4,146,725,690	5,533,305,662
Transfers to trade receivables	(2,547,925,687)	(3,384,241,822)
Accretion of interest income from significant financing component	(73,319,996)	(59,125,201)
Reversal due to cancellation of sales	(259,498,452)	(5,003,736)
Balance at end of year	₱8,891,243,368	₱7,625,261,813

Movements in the contract liabilities account are as follows:

	2025	2024
Balance at beginning of year	₱428,492,840	₱210,884,955
Increase due to cash received or billings due in excess of performance to date	622,759,897	445,441,020
Revenue recognized	(446,964,455)	(227,833,135)
Reversal due to cancellation of sales	(8,586,672)	-
Balance at end of year	₱595,701,610	₱428,492,840

9. Real Estate for Sale

This account consists of:

	2025	2024
Land and assets under construction	₱11,743,425,793	₱5,962,210,763
Office units for sale	1,363,380,310	1,308,963,974
	₱13,106,806,103	₱7,271,174,737

Movements of this account follow:

	Note	2025	2024
Balance at beginning of year		₱7,271,174,737	₱7,548,831,703
Acquisition of raw land		5,240,175,882	32,122,991
Construction costs incurred		3,153,293,006	2,006,715,874
Cost of real estate sold		(3,041,995,459)	(4,297,157,327)
Repossessions		511,837,729	1,479,643,756
Transfers from (to) investment properties	10	(27,679,792)	501,017,740
Balance at end of year		₱13,106,806,103	₱7,271,174,737

Repossessions arising from cancellation of sales due to buyer's default in payments represent previously sold units which were recorded back as "Real estate for sale". These are recorded at fair value less cost to repossess and are held for sale in the ordinary course of business. Gain on repossession amounted to ₱14.4 million, ₱68.2 million and ₱97.0 million in 2025, 2024 and 2023, respectively (see Note 20).

Land and Assets under Construction

These consist of land and development costs of ongoing real estate projects of the Group. As at December 31, 2025 and 2024, this account includes the land and development costs of Sevina Park Villas and Una Apartments, Lucima, and Eluria (see Note 1).

In 2025, the Group acquired land for the development of Sondris, LIV North, and Project Vanilla. For Project Vanilla, the Group entered into a Sale and Purchase Agreement to acquire 14 parcels of land in Banilad Road, Cebu City for a total consideration of ₱1,860.2 million, intended for mixed-use real estate development. The acquisition was undertaken jointly with other co-buyers and is to be allocated based on a land allocation agreement. Under the terms of the agreement, the Transfer Certificates of Title (TCTs) for these properties were placed in escrow with a local bank. The TCTs will be released progressively upon the completion of agreed development milestones and settlement of the three annual installment payments beginning in 2026 (see Note 13).

The land of Sevina Park with a carrying amount of ₱658.8 million as at December 31, 2025 and 2024 was mortgaged as collateral for long-term loan facility with a local bank with an outstanding balance of ₱262.3 million and ₱677.4 million as at December 31, 2025 and 2024, respectively (see Note 14).

The land of Eluria with carrying amount of ₱780.4 million as at December 31, 2025 and 2024 are used as security for the bank loan of Bhavya with an outstanding balance of ₱811.2 million and ₱925.8 million as at December 31, 2025 and 2024, respectively (see Note 14).

The land of Lucima Residences with a carrying amount of ₱794.5 million as at December 31, 2025 and 2024 are used as security for the bank loan of Bhavana with an outstanding balance of ₱627.5 million and ₱892.3 million as at December 31, 2025 and 2024, respectively (see Note 14).

The land of Sondris with carrying amount of ₱178.9 million is used as security for the bank loan of ZLDC with outstanding balance of ₱1,113.1 million as at December 31, 2025 (see Note 14).

In 2024, Cazneau transferred a portion of a parcel of land from “Investment properties” account to “Real estate for sale” account aggregating ₱501.0 million. In 2025, SLDC transferred certain parking slots to “Investment properties” account from “Real estate for sale” account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 10).

Office Units for Sale

The carrying amount of office units for sale represents amounts reclassified from land cost and assets under construction upon completion of the related property.

NRV of Real Estate for Sale

As at December 31, 2025 and 2024, real estate for sale, except for repossessions measured at fair value less costs to repossess, is stated at cost which is lower than its NRV. There is no allowance for inventory obsolescence as at December 31, 2025 and 2024.

10. Investment Properties

Investment properties consist of completed real estate projects and land held to earn rental income and/or for capital appreciation and not for sale in the ordinary course of business nor for administrative purposes.

	2025	2024
ACPT	₱8,052,704,020	₱7,200,420,660
Cebu Exchange	3,661,000,000	3,033,000,003
Arya Residences:		
Retail units	1,464,000,000	1,444,698,000
Parking slots	203,000,000	198,452,000
Land:		
UPHI’s Laguna and Tagaytay properties	1,393,428,475	1,161,190,392
ALCO’s Batangas and Tagaytay properties	389,231,010	325,642,500
Savya Financial Center	878,000,000	739,000,000
Courtyard Hall	527,926,000	487,616,000
	₱16,569,289,505	₱14,590,019,555

Movements of this account follow:

	Note	2025	2024
Balance at beginning of year, at cost		₱5,220,317,669	₱5,287,300,691
Transfers from (to) real estate for sale	9	27,679,792	(78,570,201)
Development costs incurred		9,290,771	50,635,249
Disposal		-	(39,048,070)
Balance at end of year, at cost		5,257,288,232	5,220,317,669
Cumulative gains on change in fair value		11,294,769,029	9,353,995,493
		16,552,057,261	14,574,313,162
Unamortized initial direct leasing costs		17,232,244	15,706,393
Balance at end of year, at fair value		₱16,569,289,505	₱14,590,019,555

Movements of the cumulative gains on change in fair value are as follows:

	Note	2025	2024
Balance at beginning of year		₱9,353,995,493	₱7,879,588,682
Net gain on change in fair value		1,940,773,536	1,933,989,204
Transfers to real estate for sale	9	–	(422,447,539)
Disposals		–	(37,134,854)
Balance at end of year		₱11,294,769,029	₱9,353,995,493

Movements of the unamortized initial direct leasing costs are as follows:

	2025	2024
Balance at beginning of year	₱15,706,393	₱8,743,074
Additions	7,182,147	12,302,003
Amortization	(5,656,296)	(5,338,684)
Balance at end of year	₱17,232,244	₱15,706,393

ACPT

The carrying amount of ACPT includes office units and parking slots for lease. ACPT office units are used as collateral for loans payable amounting to ₱1,488.8 million and ₱598.4 million as at December 31, 2025 and 2024, respectively (see Note 14).

Cebu Exchange

The carrying amount of Cebu Exchange includes office units and parking slots for lease. The Group sold investment properties resulting to a gain on sale amounting to ₱1.2 million in 2023 (see Note 20). In 2025, office units and parking spaces of Cebu Exchange with carrying amount of ₱3,476.7 were used as security of the Group's loans related to the development of green projects and general working fund requirements of CLLC with outstanding balances of ₱983.7 million and ₱610.0 million as at December 31, 2025, respectively.

Arya Residences

Retail units and parking slots in Arya Residences are used for leasing operations. In 2024, the Group sold investment properties resulting to a loss on sale amounting to ₱1.2 million in 2024 (see Note 20).

Land

UPHI's raw land has a total area of 33 hectares and are located at Barangay Gonzalo Bontog, Calamba City and Barangay Calabuso, Tagaytay City. Part of UPHI's land was expropriated by the National Power Corporation (NAPOCOR), leading to court proceedings. While others appealed the compensation amount, UPHI plans to settle with the National Transmission Corporation (NTC) (NAPOCOR's successor) since it can no longer use the property. Management believes this settlement won't significantly impact the consolidated financial statements but could help recover the property's cost.

Moreover, UPHI filed a complaint ("Complaint") for quieting of title on October 18, 2010, due to incorrect tax declarations by the City of Tagaytay for its Calamba City property. The trial court ruled in UPHI's favor in June 2020. The defendants appealed to the Court of Appeals (CA), but on July 31, 2023, the CA upheld the trial court's decision. Their Motions for Reconsideration were also denied on February 15, 2024. Both filed petitions for review under Rule 45 of the Rules of Court before the Supreme Court in April 2024 while UPHI submitted its Comment/Opposition to the same in October 2024.

The Supreme Court rendered its Decision on August 11, 2025 denying the consolidated petitions and affirmed the Order of the trial court dated July 31, 2023 and the Resolution of the CA dated February 15, 2024. The City of Tagaytay and one of the individual defendants filed their Motions for Reconsideration on March 7, 2026 and March 24, 2026, respectively.

ALCO's Batangas and Tagaytay properties have a total area of 10.3 hectares.

In 2024, Cazneau transferred commercial lots from "Investment Properties" to "Real estate for sale" account with fair value of ₱501.0 million because of the change in the intended use of the property as approved by the BOD (see Note 9).

Savya Financial Center

The carrying amount of Savya Financial Center includes office units and parking slots for lease.

In 2025, SLDC transferred certain parking slots to "Investment properties" account from "Real estate for sale" account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 9).

Courtyard Hall

The land attributable to Cazneau's Courtyard Hall with a carrying amount of ₱393.5 million and ₱198.3 million as at December 31, 2025 and 2024, respectively, was used as collateral for a long-term loan facility of Cazneau with an outstanding balance of ₱262.3 million and ₱677.4 million as at December 31, 2025 and 2024, respectively (see Note 14).

Leasing Operations

The Group recognized revenue from leasing operations amounting to ₱705.1 million in 2025, ₱414.9 million in 2024 and ₱366.3 million in 2023 (see Note 17) and incurred direct cost of leasing amounting to ₱176.6 million in 2025, ₱161.8 million in 2024 and ₱143.3 million in 2023.

Fair Value Measurement

The fair values of investment properties were determined by an independent, SEC-accredited appraiser, Asian Appraisal Company, Inc., with appropriate professional qualifications and relevant experience in the location and category of the properties being valued. The valuation was performed as at December 31, 2025 and 2024. The Group has determined that the current use of its investment properties represents their highest and best use.

Class of Property	Valuation Technique	Significant Inputs	Range	
			2025	2024
ACPT	Discounted cash flow (DCF) approach	Discount rate	8.63%	9.20%
		Rental rate per sqm	₱1,850	₱1,904
		Rental rate per slot	₱9,500	₱8,888
		Calculated no. of net leasable area (sqm)	18,059	18,059
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Cebu Exchange: Retail units	DCF approach	Rental rate per sqm	₱1,470	₱1,389
		Rent escalation rate per annum (p.a.)	5%	5%
		Discount rate	8.63%	9.20%
		Vacancy rate	25%	25%
		Income tax rate	25%	25%
		Rental rate per sqm	₱940	₱830
		Rent escalation rate p.a.	5%	5%
Office units	DCF approach	Discount rate	8.63%	9.20%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%

(Forward)

Class of Property	Valuation Technique	Significant Inputs	Range	
			2025	2024
Parking slots	DCF approach	Rental rate per slot	₱5,812	₱5,670
		Rent escalation rate p.a.	5%	5%
		Discount rate	8.63%	9.20%
		Vacancy rate	40%	40%
		Income tax rate	25%	25%
Arya Residences: Retail units	DCF approach	Rental rate per sqm	₱3,300	₱3,745
		Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	9.20%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
Parking slots	DCF approach	Rental rate per slot	₱8,500	₱8,828
		Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	9.20%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
Land:				
UPHI's Laguna and Tagaytay properties	Market data approach	Price per sqm	₱4,200	₱2,900
		Value adjustments	-15% to 10%	5% to 10%
ALCO's Batangas and Tagaytay properties	Market data approach	Price per sqm	₱3,600 - ₱3,800	₱2,700
		Value adjustments	-25% to 40%	-30% to 5%
Savya Financial Center Retail units	DCF approach	Rental rate per sqm	₱800	₱900
		Rent escalation rate p.a.	0% - 6%	0% - 6%
		Discount rate	8.63%	9.20%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Parking slots	DCF approach	Rental rate per slot	₱5,200	₱5,200
		Rent escalation rate p.a.	0% - 5%	0% - 5%
		Discount rate	8.63%	9.20%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Cazneau's Courtyard Hall Building	Depreciated replacement cost method	Estimated replacement cost	₱170,297,000	₱152,071,000
		Remaining economic life	31 years	32 years
Land	Market data approach	Price per sqm	₱102,000	₱92,000
		Value adjustments	-15% to -10%	15% to 20%

The description of the valuation techniques and inputs used in the fair value measurement are as follows:

Discounted Cash Flow Approach

Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market-derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Sensitivity Analysis. A reasonably possible change in key assumptions would have the following effects:

- An increase (decrease) in rental rates and rent escalation rates would result in a corresponding increase (decrease) in fair value.
- An increase (decrease) in discount rates and vacancy rates would result in a corresponding decrease (increase) in fair value.

Market Data Approach

Market data approach involves the comparison of the UPHI's Laguna and Tagaytay properties, Cazneau's Laguna properties and ALCO's Batangas and Tagaytay properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size and architectural features among others.

Depreciated Replacement Cost Method

Depreciated replacement cost method is used to estimate valuation of the Courtyard Hall by computing for the replacement cost of the assets and applying appropriate adjustments for physical deterioration and functional and economic obsolescence.

The reconciliation of the balances of investments properties classified according to level in the fair value hierarchy is as follows:

	2025		Total
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Balance at beginning of year	P1,971,065,512	P12,618,954,043	P14,590,019,555
Net gain on change in fair value	295,825,979	1,644,947,557	1,940,773,536
Transfers from real estate for sale	-	27,679,792	27,679,792
Construction costs incurred	-	9,290,771	9,290,771
Initial direct leasing costs	-	1,525,851	1,525,851
Balance at end of year	P2,266,891,491	P14,302,398,014	P16,569,289,505

	2024		Total
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Balance at beginning of year	₱1,856,644,669	₱11,318,987,778	₱13,175,632,447
Net gain on change in fair value	615,438,583	1,318,550,621	1,933,989,204
Transfers to real estate for sale	(501,017,740)	–	(501,017,740)
Disposals	–	(76,182,924)	(76,182,924)
Construction costs incurred	–	50,635,249	50,635,249
Initial direct leasing costs	–	6,963,319	6,963,319
Balance at end of year	₱1,971,065,512	₱12,618,954,043	₱14,590,019,555

There are no transfers between the levels of fair value hierarchy in 2025, 2024 and 2023.

11. Property and Equipment

The details and movements of this account consist of:

	2025							Total
	Building and Improvements	Building Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	ROU Assets	
Cost								
Balances at beginning of year	₱256,707,392	₱80,315,611	₱65,806,721	₱110,863,832	₱78,500	₱–	₱29,028,000	₱542,800,056
Additions	1,102,620	–	10,452,499	1,037,910	–	21,351,868	38,246,000	72,190,897
Disposals	–	(13,595,536)	–	–	–	–	–	(13,595,536)
Balances at end of year	257,810,012	66,720,075	76,259,220	111,901,742	78,500	21,351,868	67,274,000	601,395,417
Accumulated Depreciation and Amortization								
Balances at beginning of year	50,126,062	48,273,878	54,772,115	83,405,040	78,500	–	4,526,000	241,181,595
Depreciation and amortization	4,887,416	13,076,008	9,499,513	20,902,090	–	–	13,081,356	61,446,383
Disposals	–	(13,595,536)	–	–	–	–	–	(13,595,536)
Balances at end of year	55,013,478	47,754,350	64,271,628	104,307,130	78,500	–	17,607,356	289,032,442
Carrying Amount	₱202,796,534	₱18,965,725	₱11,987,592	₱7,594,612	₱–	₱21,351,868	₱49,666,644	₱312,362,975

	2024							Total
	Building and Improvements	Building Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	ROU Assets		
Cost								
Balances at beginning of year	₱253,399,531	₱92,771,505	₱57,247,428	₱102,634,798	₱78,500	₱–	–	₱506,131,762
Additions	3,307,861	66,696	8,823,007	8,229,034	–	29,028,000	–	49,454,598
Disposals	–	(12,522,590)	–	–	–	–	–	(12,522,590)
Reclassification	–	–	(263,714)	–	–	–	–	(263,714)
Balances at end of year	256,707,392	80,315,611	65,806,721	110,863,832	78,500	29,028,000	–	542,800,056
Accumulated Depreciation and Amortization								
Balances at beginning of year	45,253,058	42,706,435	46,524,017	55,801,083	78,500	–	–	190,363,093
Depreciation and amortization	4,873,004	18,090,033	8,419,844	27,603,957	–	4,526,000	–	63,512,838
Disposals	–	(12,522,590)	–	–	–	–	–	(12,522,590)
Reclassification	–	–	(171,746)	–	–	–	–	(171,746)
Balances at end of year	50,126,062	48,273,878	54,772,115	83,405,040	78,500	4,526,000	–	241,181,595
Carrying Amount	₱206,581,330	₱32,041,733	₱11,034,606	₱27,458,792	₱–	₱24,502,000	–	₱301,618,461

The Group has fully depreciated property and equipment still being used in operations with cost amounting to ₱116.3 million and ₱93.2 million as at December 31, 2025 and 2024, respectively.

The Parent Company sold property and equipment which resulted to gain (loss) on disposal amounting to ₱4.5 million in 2024 and (₱0.9 million) in 2023 (see Note 20).

Depreciation and amortization were charged to:

	Note	2025	2024	2023
Operating expenses	18	₱70,607,775	₱68,537,131	₱62,614,519
Cost of services		–	48,016	137,608
		₱70,607,775	₱68,585,147	₱62,752,127

Breakdown of the depreciation and amortization expense follows:

	Note	2025	2024	2023
Property and equipment		₱61,446,383	₱63,512,838	₱59,938,650
Software and licenses	12	9,161,392	5,072,309	2,813,477
		₱70,607,775	₱68,585,147	₱62,752,127

12. Other Assets

This account consists of:

	Note	2025	2024
Advances for project development and land acquisition		832,690,186	₱663,759,829
Amounts held in escrow		249,763,060	335,370,367
Prepayments		199,392,189	160,429,517
Net deferred tax assets	23	169,532,699	–
Deposits		142,030,117	502,128,321
Software and licenses		83,823,848	39,185,585
Amounts held in trust		40,019,673	9,503,621
Others		20,483,253	19,574,907
		1,737,735,025	1,729,952,147
Allowance for impairment loss		(16,002,600)	(16,002,600)
		₱1,721,732,425	₱1,713,949,547

Advances for project development and land acquisition pertain to downpayments made to contractors for the construction and acquisition of land of the Group's real estate projects. These advances are applied against progress billings and upon transfer of land.

Amounts held in escrow represent the debt service account required under existing loans with local banks and the amount of which is equivalent to a quarterly principal and interest amortization.

Prepayments include prepaid taxes, insurance, and prepaid commission related to the costs incurred to obtain contracts with customers. Prepayments are amortized over a year, except for prepaid commissions, which are amortized over the lease term for leasing and based on percentage of completion for selling.

Deposits pertain to utility, professional services and guarantee deposits for the construction of the Group's real estate projects. These are settled upon completion of the documentary requirements. In 2024, the Group recognized a provision of allowance for impairment loss pertaining to deposits amounting to ₱16.0 million.

The carrying amount of software and licenses amounted to ₱83.8 million and ₱39.2 million as at December 31, 2025 and 2024, respectively. Amortization of software and licenses recorded as part of “Depreciation and amortization” account in the consolidated statements of comprehensive income amounted to ₱9.2 million, ₱5.1 million and ₱2.8 million in 2025, 2024 and 2023, respectively (see Note 11).

Amounts held in trust represent cash in bank held under trust pursuant to the Group’s applications for socialized housing with the Department of Human Settlements and Urban Development in relation to its projects.

Others include deferred input VAT and materials and supplies related to excess construction materials and supplies from the construction of completed real estate projects.

13. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Accounts payable		₱549,263,961	₱440,687,961
Accrued expenses		2,121,903,850	1,596,863,305
Payable to landowners	9	1,860,247,000	–
Deferred output VAT		1,170,312,492	923,068,600
Retention payable		672,178,812	637,212,543
Advances from buyers		220,418,284	281,430,016
Security deposits	22	147,467,673	125,302,311
Statutory payables		73,752,488	31,599,994
Advance rent	22	72,485,342	58,517,124
Lease liabilities		51,920,116	25,187,149
Dividend payable		4,396,992	51,132,727
Others		66,156,033	91,191,005
		₱7,010,503,043	₱4,262,192,735

Accounts payable, which are unsecured, non-interest bearing and are normally settled within 30 days to one (1) year, consist mainly of liabilities to contractors and suppliers.

Accrued expenses are expected to be settled within the next 12 months. This account consists of:

	2025	2024
Construction costs	₱1,799,173,204	₱1,125,327,687
Interest	194,493,065	369,938,025
Personnel cost	6,228,664	1,794,659
Others	122,008,917	99,802,934
	₱2,121,903,850	₱1,596,863,305

Other accrued expenses pertain to management and professional fees, utilities, commissions, advertising and other expenses.

Payable to landowners pertains to the remaining purchase price of land intended for the future development of Project Vanilla (see Note 9). Future repayment of the outstanding balance is as follows:

Less than 1 year	₱500,000,000
1 to 2 years	607,000,000
2 to 3 years	753,247,000
	₱1,860,247,000

Deferred output VAT pertains to VAT from sales of property on installments and receivables from leasing operations. If the payments in the year of sale do not exceed 25% of the gross selling price, the sale will be considered under installment, in which case VAT will be paid based on collections.

Retention payable, which will be released after completion and satisfaction of the terms and conditions of the construction contract, pertains to amount retained by the Group from the contractors' progress billings for the real estate projects of the Group.

Advances from buyers include reservation fees and collections received from prospective lessees or buyers, which are and to be applied as security deposits upon execution of lease contracts or against the total contract price of the real estate sale. These are recorded at face amount.

Security deposits pertain to the deposits made by the lessees of the ACPT, Arya retail units, Savya Financial Center, Cebu Exchange, and dormitory units which are refundable upon termination of the lease less any unsettled balances.

Statutory payables pertain to various withheld taxes payable to the government agencies which are generally paid within the next reporting period.

Advance rent pertains to the payments made in advance by the tenants to be applied to their rent payable in the immediately succeeding months or in the last three (3) months of the lease term.

The balance and movements in lease liabilities follow:

	Note	2025	2024
Balance at beginning of year		₱25,187,149	₱-
Additions		38,246,000	29,015,160
Rental payments		(15,845,305)	(5,568,750)
Interest expense	14	4,332,272	1,740,739
Balance at end of year		51,920,116	25,187,149
Current portion of lease liability		16,632,437	17,629,344
Noncurrent portion of lease liability		₱35,287,679	₱7,557,805

As at December 31, 2025 and 2024, the future minimum lease payments are as follows:

	2025	2024
Within one year	₱20,318,285	₱8,449,691
More than one year but less than three years	29,533,622	21,275,156
More than three years	9,744,281	3,856,294
	₱59,596,188	₱33,581,141

Other payables include construction bonds, liabilities to SSS, PhilHealth and HDMF, payables to certain buyers as at cutoff date.

14. Loans Payable

This account consists of outstanding loans with:

	2025	2024
Local banks	₱18,646,599,606	₱12,422,800,781
Private funders	53,223,970	53,223,970
	₱18,699,823,576	₱12,476,024,751

Movements of this account follow:

	2025	2024
Balance at beginning of year	₱12,492,459,796	₱11,217,702,057
Availments	19,405,606,381	10,013,779,699
Payments	(13,136,165,857)	(8,739,021,960)
Balance at end of year	18,761,900,320	12,492,459,796
Unamortized debt issue cost	(62,076,744)	(16,435,045)
	18,699,823,576	12,476,024,751
Less current portion of loans payable	11,426,598,458	8,699,545,361
Noncurrent portion of loans payable	₱7,273,225,118	₱3,776,479,390

Movements in debt issue cost are as follows:

	2025	2024
Balance at beginning of year	₱16,435,045	₱30,884,861
Additions	62,048,265	2,812,500
Amortization	(16,406,566)	(17,262,316)
Balance at end of year	₱62,076,744	₱16,435,045

Future repayment of the outstanding principal amounts of loans payable is as follows:

	2025	2024
Within one (1) year	₱11,431,029,373	₱8,699,545,361
After one (1) year but not more than three (3) years	3,708,247,503	3,792,914,435
More than three (3) years	3,622,623,444	-
	₱18,761,900,320	₱12,492,459,796

Local Bank Loans

These are secured and unsecured loans from local banks obtained to finance the Group's working capital requirements, project development and acquisition of properties. These loans have interest rates ranging from 6.17% to 9.10% in 2025, and 5.50% to 9.10% in 2024 and 2023.

Details of outstanding local bank loans as at December 31 follow:

Purpose	Terms and Security	Effective interest rate (p.a.)	2025	2024
<i>Short-term loans:</i>				
Short-term loans for working fund requirements	Unsecured and payable in full within one (1) year	7.0% to 8.85%	₱2,411,354,634	₱2,351,281,667
Short-term loan for working fund requirement of Savya	Unsecured and payable in full within one (1) year	7.50% to 8.50%	1,332,644,900	745,326,625
Short-term loans for working fund requirements of Cazneau	Unsecured and payable in full within one (1) year	7.50% to 8.50%	326,045,000	69,100,000
Short-term loans for working fund requirements of Eluria	Unsecured and payable in full within one (1) year	7.50%	125,444,000	217,027,000
Short-term loan for working fund requirement of Lucima	Unsecured and payable in full within one (1) year	7.50%	87,000,000	–
Short-term loans for construction of Cebu Exchange	Unsecured and payable in full within one (1) year	7.60% to 8.0%	–	1,381,000,000
<i>Construction and development of projects:</i>				
Project Development and Land Acquisitions	Payable on a quarterly basis starting 2028 to 2030; secured by 51 office and commercial units and 336 parking slots of ACPT with carrying amount of ₱8,052.7 million (see Note 10), and a debt service reserve account amounting to ₱25.9 million as at December 31, 2025	7.13%	1,488,809,680	–
Construction of Sondris	Payable on a quarterly basis starting 3rd quarter of 2028 until July 2030; secured by land with carrying amount of ₱178.9 million (see Note 9) and a deposit hold out account amounting to ₱20.3 million as at December 31, 2025	7.31% to 7.77%	1,113,111,353	–
Development of Green Projects	Payable on a quarterly basis starting 2028 to 2030; secured by real estate mortgage over 38 office units and parking spaces of Cebu Exchange Tower Properties with carrying amount of ₱2,019.1 million (see Note 10) and a debt service reserve account amounting to ₱19.3 million as at December 31, 2025	7.47%	983,725,394	–
Construction of Eluria	Payable on a quarterly basis starting 2025 until 2027; secured by Eluria property with carrying amount of ₱780.4 million as at December 31, 2025 and 2024 (see Note 9), and an escrow account amounting to ₱22.8 million and ₱21.9 million as at December 31, 2025 and 2024, respectively.	6.37% to 9.10%	₱811,212,939	₱925,834,235
Construction of Lucima	Payable on a quarterly basis starting 2024 until 2026; secured by Lucima Residences property with carrying amount of ₱794.5 million as at December 31, 2025 and 2024 (see Note 9), and an escrow account amounting to ₱30.1 million and ₱28.9 million as at December 31, 2025 and 2024, respectively.	6.17% to 8.78%	627,507,212	892,255,959
Construction of Sevina Park	Payable on a quarterly basis starting November 2023 until August 2026; secured by raw land with carrying amount of ₱658.8 million as at December 31, 2025 and 2024 (see Note 9), land attributable to courtyard hall with carrying amount of ₱393.5 million and ₱198.3 million, and an escrow account amounting to ₱28.9 million and ₱18.9 million as at December 31, 2025 and 2024, respectively.	6.25% to 8.49%	262,309,470	677,411,436
Development of Green Projects	Unsecured and payable in full on February 6, 2025	6.35%	–	998,665,566
Construction of ACPT	Payable on a quarterly basis starting 4th quarter of 2020 until July 2025; secured by ACPT office units with carrying amount of ₱7,200.4 million as at December 31, 2024 (see Note 10) and an escrow account amounting to ₱208.9 million as at December 31, 2024. The loan was fully settled in 2025.	5.50%	–	598,427,817
Construction of Sevina Park	Payable from 2025 to 2027; secured by receivables and contract assets from buyers of units in Sevina Park Villas and Una Apartment T1	6.75% to 8.25%	2,006,594,173	620,177,668

(Forward)

Purpose	Terms and Security	Effective interest rate (p.a.)	2025	2024
Construction of Eluria	Payable in full in 2026 and 2027; secured by receivables and contract assets from buyers of units in Eluria	7.25% to 8%	1,202,666,255	346,434,529
Construction of Lucima	Payable in full in 2026; secured by receivables and contract assets from buyer of units and parking slots in Lucima	7.16% to 7.75%	629,842,825	581,830,291
Construction of Savya Financial Center	Payable in full in 2025 and 2026; secured by receivables and contract assets from buyer of units and parking slots in Savya Financial Center	6.50% to 6.75%	168,879,288	670,793,963
<i>Long-term loans -</i>				
Long-term loans for working fund requirements of Arthaland	Unsecured and payable in full in 2026 and 2027	8.09% to 8.63%	2,215,500,000	–
Long-term loans for working fund requirements of CLLC	Unsecured and payable in full in 2026 and 2027	8.50% to 8.63%	1,224,800,000	–
Long term loans in working fund requirements of Arthaland	Payable from 2025 to 2028; secured by an unregistered real estate mortgage over commercial units and parking spaces of Arya Residences	7.53% to 8.12%	669,152,483	997,234,025
Long-term loans for refinancing of existing debt and other general corporate purposes of CLLC	Payable from 2026 to 2028; secured by a real estate mortgage over 12 office units and parking slots of Cebu Exchange with carrying amount of ₱1,457.6 million as at December 31, 2025	7.60% to 8.00%	610,000,000	–
Long term loans in working fund requirements of Arthaland	Unsecured revolving credit line and payable in full upon maturity	7.50%	350,000,000	350,000,000
			₱18,646,599,606	₱12,422,800,781

Development of Green Projects

In 2020, the Group entered into a ₱1,000.0 million term loan agreement with a local bank to finance eligible green projects, including land banking, investments, and refinancing activities related to such projects. The full amount of the loan was drawn in 2020. Under the terms of the agreement, the Group is required to submit disbursement reports to the lending bank to confirm that the loan proceeds have been utilized for eligible green projects. The loan was fully settled in February 2025.

In 2025, the Group entered into a sustainability-linked loan agreement of ₱1,000.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes.

The loan is secured by a real estate mortgage over the Cebu Exchange Tower properties of CLLC and by a debt service reserve account (DSRA). The DSRA is required to be maintained at an amount at least equal to the principal amortization and interest due on the immediately succeeding payment date.

The Group is required to maintain a debt-to-equity ratio of not more than 2.0x and current ratio of not less than 1.5x on a consolidated basis.

The Group is compliant with the requirements of the loan as at December 31, 2025 and 2024. The debt-to-equity ratio and current ratio of the Group is 1.5x and 1.9x, and 1.4x and 1.6x as at December 31, 2025 and 2024, respectively.

Construction of Sondris

In 2025, ZLDC entered into a ₱2,414.0 million term loan agreement with a local bank to finance the acquisition of 48 Condominium Certificate of Title (CCTs) and to partially fund the construction of Sondris.

As at December 31, 2025, ZLDC had drawn ₱1,122.6 million from the facility.

Under the loan agreement, ZLDC is required to maintain a maximum debt-to-equity ratio of 2.0x and a minimum current ratio of 1.5x. As at December 31, 2025, the Company's debt-to-equity ratio is 0.9x and its current ratio is 186.3x. Accordingly, ZLDC is compliant with the financial covenants as at December 31, 2025.

Construction of Eluria

In 2022, Bhavya entered into a term loan facility with a local bank to partially finance the construction of Eluria. Loan proceeds are available in multiple tranches from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavya.

Moreover, Bhavya is required to maintain debt-to-equity ratio of not more than 2.0x, current ratio of not less than 1.5x and project debt-to-equity ratio not exceeding 0.5x. The debt-to-equity ratio, current ratio and project debt-to-equity ratio of Bhavya is 1.9x, 1.5x, and 0.2x, and 2.0x, 2.0x, and 0.5x, as at December 31, 2025 and 2024, respectively, which are compliant with the required financial covenants.

Construction of Lucima

In 2021, Bhavana entered into a term loan facility of ₱930.0 million with a local bank to partially finance the construction of Lucima. Loan proceeds are available in multiple tranches for a period of three (3) years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavana located in Cebu City.

Moreover, Bhavana is required to maintain debt-to-equity ratio of not more than 2.0x, current ratio of not less than 1.5x and project debt to equity ratio not exceeding 0.5x. The debt-to-equity ratio, current ratio and project debt-to-equity ratio of Bhavana is 1.7x, 1.5x, and 0.2x, and 1.9x, 1.8x, and 0.3x, as at December 31, 2025 and 2024, respectively, which are compliant with the required financial covenants.

Construction of Sevina Park

In 2021, Cazneau entered into a long-term loan facility of ₱1.0 billion with a local bank to partially finance the construction of Sevina Park. Loan proceeds are available in multiple tranches for a period of three (3) years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage over two parcels of land of Cazneau and grant of security interest over shares of ALCO.

Moreover, the loan facility requires Cazneau to maintain current ratio of not less than 1.5x and debt-to-equity ratio of not more than 2.0x. The debt-to-equity ratio and current ratio of Cazneau is 1.8x and 1.7x, and 1.1x and 1.6x as at December 31, 2025 and 2024, respectively, which are compliant with the required financial covenants.

Construction of ACPT

In 2015, the Group entered into an Omnibus Loan and Security Agreement (OLSA) for a credit line of ₱2,000.0 million, to partially finance the cost of construction and development of the ACPT. The outstanding loan balance is secured by the ACPT office units and a security trust agreement covering the maintenance of revenue and operating accounts, project receivables and project agreements. The loan was fully settled in July 2025.

Project Development and Land Acquisitions

In 2025, the Company entered into a sustainability-linked loan agreement of ₱1,500.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes.

The outstanding balance of the loan is secured by ACPT units and an unregistered real estate mortgage over ACPT parking slots and by DSRA. The DSRA is required to be maintained at an amount at least equal to the principal amortization and interest due on the immediately succeeding payment date.

The Group is required to maintain a current ratio of at least 1.5x and a debt-to-equity ratio of not more than 2.0x based on the consolidated financial statements. For the years ended December 31, 2025, 2024 and 2023, the Group is fully compliant with these debt covenants.

Long-term loans of CLLC

In 2025, CLLC entered into a term loan facility of ₱610.0 million with a local bank to refinance existing debt, and for other general corporate purposes. The outstanding loan balance is secured by real estate mortgage over 12 condominium units and parking slots within Cebu Exchange Tower. Moreover, CLLC is required to maintain debt to equity ratio of not more than 2.0x. As at December 31, 2025, the debt-to-equity ratio of CLLC is 0.4x. Accordingly, CLLC is compliant with the financial covenant.

Private Funders

Outstanding balances of the loans from private funders amounting to ₱53.2 million as at December 31, 2025 and 2024 have interest rates of 5.80% p.a. in 2025 and 5.40% p.a. in 2024, and are unsecured and are for working capital requirements of the Group.

Interest Expense

Total interest expense charged under “Finance costs” consists of the following (see Note 19):

	Note	2025	2024	2023
Interest expense on:				
Loans payable and advances from non-controlling interests		₱1,258,557,691	₱1,036,475,568	₱550,390,848
Bonds payable	15	279,327,339	443,762,626	465,794,610
Lease liabilities	13	4,332,272	1,740,739	–
		₱1,542,217,302	₱1,481,978,933	₱1,016,185,458

Interest expense on loans payable and bonds payable includes amortization of debt issuance costs.

15. Bonds Payable

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
Bonds payable	₱3,000,000,000	₱6,000,000,000
Unamortized debt issue cost	(34,245,835)	(44,467,581)
	2,965,754,165	5,955,532,419
Less current portion of bonds payable	–	3,000,000,000
	₱2,965,754,165	₱2,955,532,419

Movement in debt issue cost in 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	₱44,467,581	₱58,477,587
Amortization	(10,221,746)	(14,010,006)
Balance at end of year	₱34,245,835	₱44,467,581

In October 2019, ALCO's BOD approved the filing of a registration statement for the shelf registration of ₱6.0 billion fixed rate ASEAN Green Bonds (the "Bonds") and the initial tranche of ₱2.0 billion bonds, with an oversubscription option of up to ₱1.0 billion.

In January 2020, the SEC approved the registration of the Bonds and the issuance of its initial tranche. On February 6, 2020, ALCO issued the initial tranche amounting to ₱2.0 billion with an oversubscription of ₱1.0 billion. It has a term ending five (5) years from the issue date or on February 6, 2025, with a fixed interest rate of 6.35% p.a. and an early redemption option on the 3rd and 4th year from issue date. The proceeds of the initial tranche is for the development of eligible green projects and payment of certain outstanding loans of the Group. This was fully redeemed in February 2025.

In October 2022, the BOD approved the second tranche of up to ₱3.0 billion. The SEC approved the offer supplement in December 2022 for ₱2.4 billion with an oversubscription of up to ₱0.6 billion. These bonds have a five-year term with a fixed interest rate of 8.00% p.a. and an early redemption option in the 3rd and 4th years, and a seven-year term with a fixed interest rate of 8.75% p.a. and an early redemption option in the 5th and 6th years. Proceeds will fund eligible green projects and repay certain outstanding loans.

The Group is required to maintain debt to equity ratio of not more than 2.0x and current ratio of at least 1.5x based on its consolidated financial statements. As at December 31, 2025 and 2024, the Group is compliant with these financial ratios.

Interest expense incurred on the Bonds amounted to ₱279.3 million, ₱443.8 million and ₱465.8 million in 2025, 2024 and 2023, respectively (see Note 14).

16. Equity

The details of the Parent Company's number of common and preferred shares as at December 31, 2025, 2024 and 2023 are as follows:

	2025 and 2024		2023	
	Preferred	Common	Preferred	Common
Authorized	80,000,000	16,368,095,199	50,000,000	16,368,095,199
Par value per share	₱1.00	₱0.18	₱1.00	₱0.18
Issued	47,464,860	5,318,095,199	48,500,000	5,318,095,199
Outstanding	37,464,860	5,318,095,199	28,500,000	5,318,095,199

Common Shares

As at December 31, 2025 and 2024, the Parent Company has issued and outstanding common shares of 5,318,095,199 at ₱0.18 par value equivalent to ₱957.3 million.

Preferred Shares

The Group's preferred shares Series A, Series C, Series D, Series E and Series F are cumulative, nonvoting, nonparticipating and nonconvertible. The movements and details of the issued and outstanding preferred shares are as follows:

	2025		2024		2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of year	47,464,860	₱47,464,860	48,500,000	₱48,500,000	48,500,000	₱48,500,000
Issuance	–	–	18,964,860	18,964,860	–	–
Retirement	–	–	(20,000,000)	(20,000,000)	–	–
Balance at end of year	47,464,860	47,464,860	47,464,860	47,464,860	48,500,000	48,500,000
Treasury shares	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(20,000,000)	(20,000,000)
Parent Company's shares held by a subsidiary	(26,500,000)	(26,500,000)	(26,500,000)	(26,500,000)	(12,500,000)	(12,500,000)
Outstanding	10,964,860	₱10,964,860	10,964,860	₱10,964,860	16,000,000	₱16,000,000

In June 2019, the Group made a follow-on offering of 10.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series C with ₱1 par value a share at the issuance price of ₱100 a share. Excess of the proceeds over the total par value amounting to ₱990.0 million and transactions costs of ₱12.5 million were recognized as addition and reduction to additional paid-in capital, respectively.

On December 3, 2021, the Group made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series D with ₱1 par value per share at the issuance price of ₱500 per share. Excess of the proceeds over the total par value amounting to ₱2,994.0 million and transaction costs of ₱29.6 million were recognized as addition and reduction to additional paid-in capital, respectively.

In December 2023, the BOD of the Parent Company approved the amendment of the Articles of Incorporation (AOI) to increase its authorized capital stock by ₱50.0 million preferred shares. This was approved by the stockholders during a Special Stockholders' Meeting on January 31, 2024.

In November 2024, ALCO made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series F with ₱1 par value a share at the issuance price of ₱500 a share. As at December 31, 2024, the issued and outstanding Preferred Shares Series F are 5.0 million for ₱2,482.4 million. Excess of the proceeds over the total par value amounting to ₱2,477.5 million and transactions costs of ₱30.1 million were recognized as addition and reduction to additional paid-in capital, respectively.

On January 22, 2025, the BOD approved the proposal to amend Article Seventh of the AOI of ALCO by decreasing its authorized capital stock by ₱10.0 million preferred shares. The foregoing decrease in the authorized capital stock corresponds to the redemption of Series C Preferred Shares on June 27, 2024. On March 18, 2026, the Group obtained the approval from SEC to amend its AOI to decrease its authorized capital stock.

Additional Paid-in Capital

As at December 31, 2025, 2024 and 2023, the Group's additional paid-in capital amounted to ₱6,464.3 million, ₱6,464.3 million, and ₱5,973.4 million, respectively.

Parent Company's Preferred Shares Held by Subsidiary

In 2016, ALCO issued 12.5 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series A with ₱1 par value a share to MPI. On August 14, 2024, the Parent Company issued to MPI 14.0 million Preferred Shares Series E with a selling price of ₱1 per share for ₱14.0 million.

Treasury Shares

Movements in the Group's treasury shares are as follows:

	2025		2024		2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of year	10,000,000	₱1,000,000,000	20,000,000	₱2,000,000,000	20,000,000	₱2,000,000,000
Retirement of Series B Preferred Shares	-	-	20,000,000	(2,000,000,000)	-	-
Redemption of Series C Preferred Shares	-	-	10,000,000	1,000,000,000	-	-
Balance at end of year	10,000,000	₱1,000,000,000	10,000,000	₱1,000,000,000	20,000,000	₱2,000,000,000

On December 6, 2021, the Group redeemed all of the outstanding 20.0 million Series B Preferred Shares equal to its offer price plus any accrued and unpaid cash dividends due as of date. Treasury shares pertaining to the redemption of 20.0 million Series B Preferred shares were recognized at cost amounting to ₱2,000.0 million.

In May 2024, the redemption of Preferred Shares Series C of the Group was approved. The Group redeemed the 10.0 million preferred shares at a redemption price of ₱100 per share for ₱1,000.0 million, plus accrued and any unpaid cash dividends due on redemption date June 27, 2024.

On August 14, 2024, the Group obtained the approval from SEC to amend its AOI to increase its authorized capital stock by ₱50.0 million. Following the approval, the Group cancelled the 20.0 million Preferred Shares Series B with a selling price of ₱100 per share for ₱2,000.0 million. Accordingly, the cancellation of preferred shares series B resulted in the decrease of additional paid-in capital amounting to ₱1,956.4 million

Common and Preferred Shares Listed with PSE

The details and movements of the common and preferred shares listed with PSE follows:

Date of SEC Approval	Type of Issuance	No. of Shares Issued (Redeemed)	Issue/Offer Price
1996	Initial public offering of common shares	351,000,000	₱1.00
1998	Issuance of common shares	256,203,748	1.00
1999	Common stock dividends	410,891,451	1.00
2009	Issuance of common shares	628,770,000	0.20
2010	Issuance of common shares	100,000,000	0.20
2011	Issuance of common shares	2,200,000,000	0.20
2016	Public offering of Series "B" preferred shares	20,000,000	100
2019	Public offering of Series "C" preferred shares	10,000,000	100
2021	Public offering of Series "D" preferred shares	6,000,000	500
2021	Redemption of Series "B" preferred shares	(20,000,000)	100
2024	Redemption of Series "C" preferred shares	(10,000,000)	100
2024	Public offering of Series "F" preferred shares	4,964,860	500

The Parent Company has 1,903 and 1,908 stockholders as at December 31, 2025 and 2024, respectively.

Dividend Declaration

The Parent Company's BOD and stockholders approved the following cash dividends to preferred and common stockholders:

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 22, 2025	February 7, 2025	March 3, 2025	Series D preferred shares	₱45,000,000	₱7.5000
March 26, 2025	April 15, 2025	May 14, 2025	Series F preferred shares	45,465,705	9.1575
May 7, 2025	May 22, 2025	June 3, 2025	Series D preferred shares	45,000,000	7.5000
June 27, 2025	July 15, 2025	August 8, 2025	Common shares	63,817,145	0.0120
June 27, 2025	July 21, 2025	August 14, 2025	Series F preferred shares	45,465,705	9.1575
August 6, 2025	August 20, 2025	September 3, 2025	Series D preferred shares	45,000,000	7.5000
August 6, 2025	October 21, 2025	November 14, 2025	Series F preferred shares	45,465,705	9.1575
October 29, 2025	November 13, 2025	December 3, 2025	Series D preferred shares	45,000,000	7.5000
				₱380,214,260	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 31, 2024	March 1, 2024	March 27, 2024	Series C preferred shares	₱17,319,000	₱1.7319
January 31, 2024	February 8, 2024	March 3, 2024	Series D preferred shares	45,000,000	7.5000
May 8, 2024	June 3, 2024	June 27, 2024	Series C preferred shares	17,319,000	1.7319
May 8, 2024	May 23, 2024	June 3, 2024	Series D preferred shares	45,000,000	7.5000
June 28, 2024	July 19, 2024	August 9, 2024	Common Shares	63,817,142	0.0120
August 6, 2024	August 23, 2024	September 3, 2024	Series D preferred shares	45,000,000	7.5000
November 5, 2024	November 19, 2024	December 3, 2024	Series D preferred shares	45,000,000	7.5000
December 11, 2024	January 21, 2025	February 14, 2025	Series F preferred shares	45,465,705	9.1575
				₱323,920,847	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
October 25, 2023	November 29, 2023	December 27, 2023	Series C preferred shares	₱17,319,000	₱1.7319
October 25, 2023	November 13, 2023	December 4, 2023	Series D preferred shares	45,000,000	7.5000
August 2, 2023	September 4, 2023	September 28, 2023	Series C preferred shares	17,319,000	1.7319
August 2, 2023	August 16, 2023	September 4, 2023	Series D preferred shares	45,000,000	7.5000
June 30, 2023	July 17, 2023	August 10, 2023	Common Shares	63,817,142	0.0120
May 3, 2023	June 1, 2023	June 27, 2023	Series C preferred shares	17,319,000	1.7319
May 3, 2023	May 17, 2023	June 5, 2023	Series D preferred shares	45,000,000	7.5000
January 25, 2023	March 1, 2023	March 27, 2023	Series C preferred shares	17,319,000	1.7319
January 25, 2023	February 8, 2023	March 3, 2023	Series D preferred shares	45,000,000	7.5000
				₱313,093,142	

Other Equity Reserves

This account consists of:

	Note	2025	2024	2023
Effect of changes in the Parent Company's ownership interest in subsidiaries		₱169,002,018	₱169,002,018	₱169,002,018
Cumulative rereasurement gains on net retirement asset or liability - net of tax	21	37,152,564	32,819,118	40,402,986
Stock options		7,161,827	7,161,827	7,161,827
		₱213,316,409	₱208,982,963	₱216,566,831

Movements of this account are as follows:

	Note	2025	2024	2023
Balance at beginning of year		₱208,982,963	₱216,566,831	₱221,696,435
Remeasurement gain (loss) on net retirement liability	21	4,333,446	(7,583,868)	(5,129,604)
Balance at end of year		₱213,316,409	₱208,982,963	₱216,566,831

Stock Options

In ALCO's annual meeting on 16 October 2009, stockholders approved the 2009 ALCO Stock Option Plan, allowing the issuance of up to 10% of ALCO's total outstanding capital stock equivalent to 531,809,519 shares. The plan was administered by the Stock Option and Compensation Committee, composed of three directors, one of whom is independent. Eligible participants include Board members (excluding independent directors), the President and CEO, corporate officers, managerial employees, and executive officers of subsidiaries or affiliates. The Committee has the authority to determine grant recipients, exercise prices (not below par value), grant timing, and share allocation based on performance evaluations.

The option period spans three years, with vesting as follows: up to 33.33% within the first 12 months, up to 33.33% from the 13th to the 24th month, and up to 33.33% from the 25th to the 36th month. On the exercise date, the full purchase price must be paid, or as decided by the Committee. In 2010, 164.8 million options were granted, but none were exercised until the expiration of the option period in October 2012.

On 14 December 2018, the Board approved granting up to 90 million options at ₱0.85 per share based on performance evaluation of the grantees. On 25 March 2020, the option price was reduced to ₱0.50 per share.

As at December 31, 2025 and 2024, none of the qualified employees have exercised their options.

Use of Proceeds

Green Bonds - First Tranche

On February 21, 2024, the BOD approved the reallocation of the use of proceeds of the Bonds effective March 22, 2024, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Savya Financial Center or other Eligible Green Projects	₱1,500.0	₱1,351.0
Manila Long-Term Project	1,140.0	1,289.0
Arthaland Century Pacific Tower	309.0	309.0
Total	₱2,949.0	₱2,949.0

This was fully redeemed in February 2025.

Green Bonds - Tranche 2

The gross proceeds from the offer of the second tranche of the bonds amounted to ₱3,000.0 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

On August 6, 2025, the BOD approved the reallocation of the use of proceeds of the bonds effective September 5, 2025, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	760.0	930.3
ACPT Loan and Others	225.0	225.0
Project Olive	370.3	–
Project Teal	–	200.0
Total	₱2,949.0	₱2,949.0

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱–
Project Vanilla	1,120.0	930.3	930.3	–
Project Olive	1,378.0	–	–	–
Project Teal	–	200.0	50.0	150.0
ACPT Loan and Others	276.0	225.0	225.0	–
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the bonds effective March 20, 2026, as follows (amounts in millions):

Project	Actual Net	
	Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	930.3	1,080.3
ACPT Loan and Others	225.0	225.0
Project Teal	200.0	50.0
Total	₱2,949.0	₱2,949.0

Series F Preferred Shares

The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,451.5 million.

On March 26, 2025, the BOD approved the reallocation of the use of proceeds of the Preferred Shares Series F effective April 25, 2025, as follows (amounts in millions):

Purpose	Actual Net	
	Proceeds	Proposed Reallocation
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0
Project Teal	1,140.0	821.5
ACPT Loan and Others	311.5	200.0
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	–	200.0
Investment into Bhavya to Fund Project Eluria	–	30.0
General Corporate Purposes	–	200.0
Total	₱2,451.5	₱2,451.5

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual	Balance for
			Disbursement as at December 31, 2025	Disbursement as at December 31, 2025
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱–
Project Teal	1,140.0	821.5	821.5	–
ACPT Loan and Others	342.4	200.0	200.0	–
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	–	200.0	200.0	–
Investment into Bhavya to Fund Project Eluria	–	30.0	30.0	–
General Corporate Purposes	–	200.0	200.0	–
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱–

17. Revenues

The Group's revenues are as follows:

	Note	2025	2024	2023
Real estate sales of:				
Eluria		₱1,323,042,122	₱768,682,118	₱565,910,408
Una Apartments		1,295,422,543	991,183,786	–
Lucima Residences		755,761,469	1,498,794,548	1,512,300,615
Sevina Park		416,213,892	935,588,864	794,498,165
Cebu Exchange		368,612,149	1,378,903,418	986,256,059
Savya Financial Center		151,166,916	185,019,836	2,392,608,813
		4,310,219,091	5,758,172,570	6,251,574,060
Leasing revenue	22	705,069,656	414,901,457	366,299,089
Interest on real estate sales		89,820,951	15,307,178	–
Property management fees		38,437,831	35,642,933	21,050,433
		₱5,143,547,529	₱6,224,024,138	₱6,638,923,582

Revenue from real estate sales recognized over time amounted to ₱4,310.2 million in 2025, ₱5,230.0 million in 2024, and ₱6,164.8 million in 2023. Revenue from real estate sales recognized at a point in time consisting of lots sold amounted to nil in 2025, ₱528.3 million in 2024, and ₱474.1 million in 2023.

Leasing revenue pertains to rent income and CUSA earned from various lease contracts of the Parent Company in ACPT, commercial units and parking slots of MPI in Arya Residences, office units and parking slots of SLDC in Savya Financial Center, commercial and office units and parking slots of CLLC in Cebu Exchange Tower, and Cazneau in Courtyard Hall.

Property management fees pertain to services rendered by APPS in the management and maintenance of all common areas of Arya Residences, ACPT, Cebu Exchange and Savya Financial Center. The service contract with Arya Residences Condominium Corporation had an initial term of seven (7) years from December 1, 2014 and the engagement was renewed for another five (5) years commencing on December 1, 2021. The terms of the service contracts with Arthaland Century Pacific Tower Condominium Corporation is seven (7) years from August 1, 2018, Cebu Exchange Condominium Corporation is five (5) years and Savya Financial Center Condominium Corporation is six (6) years both from September 1, 2023.

18. Operating Expenses

Operating expenses are classified as follows:

	2025	2024	2023
Administrative	₱1,107,396,670	₱1,009,172,950	₱821,439,823
Selling and marketing	598,717,584	454,809,392	529,115,673
	₱1,706,114,254	₱1,463,982,342	₱1,350,555,496

Details of operating expenses by nature are as follows:

	Note	2025	2024	2023
Personnel costs		₱401,507,366	₱374,808,551	₱276,523,524
Advertising		375,008,406	290,859,744	265,716,476
Commissions		223,709,178	163,949,648	263,399,197
Taxes and licenses		192,197,879	167,105,785	174,634,585
Communication and office expenses		154,092,993	174,649,594	111,166,961
Transportation and travel		75,582,934	71,788,384	60,516,180
Depreciation and amortization	11	70,607,775	68,537,131	62,614,519
Management and professional fees		58,352,288	63,407,400	42,641,046
Repairs and maintenance		37,897,554	16,014,250	10,565,940
Insurance		23,284,299	17,156,812	24,912,851
Representation		15,339,628	2,448,591	1,280,730
Rent	22	11,142,286	6,502,154	6,133,894
Utilities		7,855,294	7,861,747	36,331,964
Others		59,536,374	38,892,551	14,117,629
		₱1,706,114,254	₱1,463,982,342	₱1,350,555,496

Personnel costs consist of:

	Note	2025	2024	2023
Salaries and other employee benefits		₱369,202,434	₱348,542,987	₱258,855,447
Retirement expense	21	32,304,932	26,265,564	17,668,077
		₱401,507,366	₱374,808,551	₱276,523,524

19. Finance Costs

This account consists of:

	Note	2025	2024	2023
Interest expense	14	₱1,542,217,302	₱1,481,978,933	₱1,016,185,458
Bank charges		32,666,076	4,949,882	4,164,974
		₱1,574,883,378	₱1,486,928,815	₱1,020,350,432

20. Other Income (Charges)

This account consists of:

	Note	2025	2024	2023
Gain on assignment of advances	4	₱204,831,916	₱—	₱—
Realized gain on disposals of financial assets at FVPL	6	83,029,771	84,031,978	73,157,830
Interest income	5	75,783,289	249,156,724	293,392,563
Gain on repossession	9	14,377,954	68,237,042	96,979,144
Unrealized holding gains on financial assets at FVPL	6	2,321,476	12,176,374	858,794
Unrealized foreign exchange gain (loss)		(833,278)	2,446,735	4,437,686
Gain (loss) on disposal of property and equipment	11	—	4,457,347	(857,717)
Gain (loss) on sale of investment properties	10	—	(1,175,558)	1,198,576
Others		18,412,851	6,553,736	52,086,597
		₱397,923,979	₱425,884,378	₱521,253,473

Others pertain to forfeited collections, penalties for late rental payments, gain on sale of property, and commissions. In 2024, others include write-off of receivables from CPG amounting to ₱36.1 million (see Note 24).

21. Retirement Plan

The Group has a funded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The normal retirement age is 60 with a minimum of five (5) years of credited service. The plan also provides for an early retirement at age 50 with minimum of five (5) years of credited service or late retirement after age 60, both subject to the approval of the Group's BOD.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

There are no unusual or significant risks to which the retirement liability exposes the Group. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Parent Company.

The following tables summarize the components of retirement benefit costs recognized in the consolidated statements of comprehensive income for the year ended December 31, 2025 (based on the report of an independent actuary dated January 9, 2026).

Details of retirement expense are as follows (see Note 18):

	2025	2024	2023
Current service cost	₱30,519,356	₱26,490,326	₱19,830,224
Net interest cost	1,785,576	(224,762)	(2,162,147)
	₱32,304,932	₱26,265,564	₱17,668,077

The movements of net retirement liability recognized in the consolidated statements of financial position are as follows:

	2025	2024
Balance at beginning of year	₱27,371,514	(₱9,005,874)
Current service cost	30,519,356	26,490,326
Net interest cost	1,785,576	(224,762)
Remeasurement losses (gains) on:		
Change in financial assumptions	(6,970,124)	(1,697,558)
Return on plan assets	1,846,302	2,413,192
Experience adjustments	(654,106)	10,310,519
Effect of asset ceiling	-	(914,329)
Balance at end of year	₱53,898,518	₱27,371,514

The funded status and amounts recognized in the consolidated statements of financial position for the net retirement liability as at December 31, 2025 and 2024 are as follows:

	2025	2024
Present value of retirement liability	₱196,708,188	₱166,487,412
Fair value of plan assets	(142,809,670)	(139,115,898)
	₱53,898,518	₱27,371,514

While there are no minimum funding requirements in the country, any size of underfunding may pose a cash flow risk in about ten years' time when a significant number of employees is expected to retire.

As at December 31, 2025, based on the latest actuarial valuation prepared in accordance with PAS 19, the present value of the defined benefit obligation exceeded the fair value of plan assets, resulting in a net defined benefit liability of ₱53.9 million.

Changes in the present value of the retirement liability are as follows:

	2025	2024
Balance at beginning of year	₱166,487,412	₱133,813,065
Current service cost	30,519,356	26,490,326
Interest cost	10,291,300	8,150,760
Benefits paid from plan assets	(2,965,650)	(10,579,700)
Remeasurement losses (gains) on:		
Change in financial assumptions	(6,970,124)	(1,697,558)
Experience adjustments	(654,106)	10,310,519
Balance at end of year	₱196,708,188	₱166,487,412

Changes in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	₱139,115,898	₱143,680,782
Interest income	8,505,724	8,428,008
Benefits paid from plan assets	(2,965,650)	(10,579,700)
Remeasurement loss on return on plan assets	(1,846,302)	(2,413,192)
Balance at end of year	₱142,809,670	₱139,115,898

Plan assets are primarily composed of cash and cash equivalents, as well as unit investment trust accounts and do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in operations.

The distribution of the plan assets as at December 31, 2025 and 2024 follows:

	2025	2024
Cash and cash equivalents	65%	63%
Unit investments trust funds	35%	35%
Others	0%	2%
	100%	100%

The cumulative remeasurement gains on net retirement liability recognized in OCI as at December 31 are as follows:

	2025		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱43,873,880	₱11,054,762	₱32,819,118
Remeasurement gain	5,777,928	1,444,482	4,333,446
Balance at end of year	₱49,651,808	₱12,499,244	₱37,152,564

	2024		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱53,985,704	₱13,582,718	₱40,402,986
Remeasurement loss	(10,111,824)	(2,527,956)	(7,583,868)
Balance at end of year	₱43,873,880	₱11,054,762	₱32,819,118

The principal assumptions used for the purpose of the actuarial valuation are as follows:

	2025	2024
Discount rate	6.5% to 6.6%	6.2% to 6.2%
Salary projection rate	6.0%	6.0%
Average remaining service years	22.6 to 30.1	22.1 to 31.3

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31, 2025 and 2024 are presented below.

	Change in Assumption	Effect on Present Value of Retirement Liability	
		Discount Rate	Salary Projection Rate
December 31, 2025	+1%	(P19,081,955)	P22,790,255
	-1%	22,905,682	(19,331,913)
December 31, 2024	+1%	(17,105,219)	20,392,041
	-1%	20,564,159	(17,280,969)

There are no unusual or significant risks to which the benefit plan exposes the Group.

The expected future benefit payments within the next ten years are as follows:

Financial Year	Amount
2026	P47,603,112
2027	4,989,734
2028	5,834,373
2029	30,461,438
2030	7,927,019
2031-2035	92,967,570

The weighted average duration of the retirement benefit obligation as at December 31, 2025 and 2024 are 10.0 years to 23.8 years and 10.6 years to 24.7 years, respectively.

22. Commitments

Operating Lease Commitments - Group as Lessor

The Parent Company entered into various lease agreements in ACPT for periods ranging from one (1) year to 10 years. Majority of lease agreements include an escalation clause of 5% every year. The lease contracts do not provide for any contingent rent.

MPI has various lease agreements for its retail units and parking slots in Arya Residences. The term of the lease ranges from two (2) to five (5) years. The lease agreements also provide for various escalation rates for the duration of the agreements.

Cazneau has entered into lease agreements for its dormitory units in Courtyard Hall. The term is renewable every trimester.

In 2025, SLDC and CLLC entered into lease agreements for the lease of its office and retail units and parking slots in Savva Financial Center and Cebu Exchange Tower, respectively, with lease terms ranging from five (5) to 10 years.

Leasing revenue recognized from these operating leases amounted to ₱705.1 million in 2025, ₱414.9 million in 2024, and ₱366.3 million in 2023 (see Note 17). Lease receivables amounted to ₱100.6 million and ₱163.1 million as at December 31, 2025 and 2024, respectively (see Note 7). Accrued rent receivable amounted to ₱65.4 million and ₱18.0 million as at December 31, 2025 and 2024, respectively (included under “Other receivables” as part of “Receivables” in Note 7). Advance rent from tenants amounted to ₱72.5 million, and ₱58.5 million as at December 31, 2025 and 2024, respectively (see Note 13). Security deposits, which may be applied to unsettled balances or refunded at the end of the lease term, amounted to ₱147.5 million and ₱125.3 million as at December 31, 2025 and 2024, respectively (see Note 13).

The future minimum lease payments to be received under non-cancellable operating leases as at December 31 are as follows:

	2025	2024
Within one (1) year	₱65,013,601	₱248,245,631
After one (1) year but not more than five (5) years	249,486,204	500,636,048
More than five (5) years	217,633,221	–
	₱532,133,026	₱748,881,679

Finance Lease Commitment - Group as Lessee

The Group is a lessee under a non-cancellable lease agreements for transportation equipment for a period of three (3) to five (5) years. The ROU assets and lease liabilities amounted to ₱49.7 million and ₱51.9 million, and ₱24.5 million and ₱25.2 million as at December 31, 2025 and 2024, respectively (see Notes 11 and 13).

Operating Lease Commitment - Group as Lessee

The Parent Company is a lessee under non-cancellable operating leases. For short-term and low value leases, rent expense recognized amounted to ₱11.1 million in 2025, ₱6.5 million in 2024, and ₱6.1 million in 2023 and (see Note 18).

Capital Commitments

The Group has remaining contractual obligations for the construction and development of real estate for sale amounting to ₱4,988.8 million and ₱4,132.3 million as of December 31, 2025 and 2024, respectively.

23. Income Taxes

The components of income tax expense are as follows:

	2025	2024	2023
Reported in Profit or Loss			
Current:			
MCIT	₱55,461,205	₱36,051,610	₱21,550,545
Final taxes	33,973,754	66,510,515	72,764,819
Gross income tax (GIT)	4,795,018	5,217,775	5,487,544
RCIT	–	14,358,362	180,158,033
	94,229,977	122,138,262	279,960,941
Deferred	373,416,300	223,147,429	169,705,162
	₱467,646,277	₱345,285,691	₱449,666,103

		2025	2024	2023
Reported in OCI				
Deferred tax related to				
remeasurement loss (gains) on				
net retirement liability (asset)	21	(P1,444,482)	P2,527,956	P1,709,868

Deferred Tax Assets

The components of the Group's recognized net deferred tax assets are as follows:

	2025
Deferred tax assets:	
NOLCO	P224,299,269
Excess MCIT over RCIT	3,335,219
Retirement liability	2,381,544
Excess of taxable over financial gross profit	11,267,634
Effect of PFRS 16	18,914
Unrealized foreign exchange loss	17,270
	241,319,850
Deferred tax liabilities:	
Excess of financial over taxable gross profit	71,787,151
Net deferred tax assets	P169,532,699

Deferred Tax Liabilities

The components of the Group's recognized net deferred liabilities are as follows:

	2025	2024
Deferred tax assets:		
NOLCO	P818,905,031	P925,188,957
Excess MCIT over RCIT	92,781,154	42,951,753
Retirement liability	36,373,479	34,170,154
Advance rent	16,214,143	12,583,583
Excess of commission expense over		
commissions paid	8,172,757	8,172,757
Allowance for impairment losses	4,437,348	4,437,348
Effect of PFRS 16	538,426	165,258
	977,422,338	1,027,669,810
Deferred tax liabilities -		
Cumulative gains on change in fair value of		
investment properties	2,840,005,564	2,354,812,179
Excess of financial over taxable gross profit	681,259,010	693,889,949
Depreciation of investment properties	81,052,872	62,377,834
Accrued rent receivable	17,861,403	15,382,839
Actuarial gain or loss	12,557,629	11,596,534
Transfer of fair value to property and equipment	9,659,545	9,884,186
Capitalized debt issue costs	7,461,936	7,634,465
Unrealized foreign exchange gain	1,655,732	1,789,696
	3,651,513,691	3,157,367,682
Net deferred tax liabilities	P2,674,091,353	P2,129,697,872

Management assessed that it is probable that sufficient future taxable income will be available against which the benefits of the deferred tax assets can be utilized.

As at December 31, 2025 and 2024, the Group did not recognize deferred tax assets relating to the following:

	2025	2024
NOLCO	P83,215,129	P43,023,853
Excess MCIT over RCIT	612,738	545,459
	P83,827,867	P43,569,312

Management has assessed that these may not be realized in the future.

NOLCO and Excess MCIT over RCIT

The details of the Group's NOLCO and excess MCIT over RCIT are as follows:

NOLCO

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Valid Until
2025	P-	P2,213,076,682	P-	P-	P2,213,076,682	2028
2024	1,310,052,345	-	-	-	1,310,052,345	2027
2023	844,756,976	-	-	-	844,756,976	2026
2022	497,514,464	-	(17,766,744)	(479,747,720)	-	2025
2021	226,074,941	-	(189,871,601)	-	36,203,340	2026
2020	419,261,187	-	(406,534,201)	(12,726,986)	-	2025
	P3,297,659,913	P2,213,076,682	(P614,172,546)	(P492,474,706)	P4,404,089,343	

Under Republic Act No. 11494, also known as "Bayanihan to Recover As One Act" and Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2020 and 2021 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

Excess MCIT over RCIT

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Valid Until
2025	P-	P55,460,920	P-	P-	P55,460,920	2028
2024	37,224,199	-	-	-	37,224,199	2027
2023	7,031,690	-	-	-	7,031,690	2026
2022	3,983,074	-	-	(3,983,074)	-	2025
	P48,238,963	P55,460,920	P-	(P3,983,074)	P99,716,809	

The reconciliation between the income tax based on statutory income tax rate and provision for income tax reported in the consolidated statements of comprehensive income is as follows:

	2025	2024	2023
Income tax computed at statutory tax rate	₱354,796,176	₱601,828,074	₱606,220,259
Add (deduct) tax effect of:			
Expired NOLCO	123,118,677	–	–
Income subject to GIT	(25,013,185)	(25,091,619)	(24,637,139)
Nondeductible expenses	8,842,819	22,462,092	20,043,636
Expired excess MCIT over RCIT	3,983,074	–	–
Interest income subjected to final tax	(3,728,024)	(12,471,930)	(14,963,627)
Taxable rent	(2,269,773)	15,114,169	10,262,838
Realized gain on disposals of financial assets at FVPL subjected to final tax	(1,469,520)	(4,314,047)	(4,107,194)
Unrealized holding loss (gains) on financial assets at FVPL	(886,070)	(3,341,995)	115,234
Dividend income from subsidiaries	–	(252,250,000)	(132,500,000)
Change in unrecognized deferred tax assets	10,272,103	3,350,947	(10,767,904)
Income tax computed at effective tax rate	₱467,646,277	₱345,285,691	₱449,666,103

PEZA Registration

ACPT is registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone Facilities Enterprise (see Note 1). The scope of its registered activity is limited to development, operation and maintenance of an economic zone.

Under the PEZA Registration Agreement, ACPT is entitled to:

- 5% GIT, in lieu of all national and local taxes; and
- Tax and duty-free importation of capital equipment required for the technical viability and operation of the registered facilities or activities.

Any income from activities of ACPT outside the PEZA-registered activities is subject to RCIT.

24. Related Party Transactions

Share Purchase Agreement

On December 11, 2024, the ALCO's BOD approved the amendment on the share purchase agreement where the Group shall no longer collect from CPG the amount of ₱36.1 million due to the considerable length of time the Complaint has been pending involving the property owned by UPHI, which includes, among others, removing all doubt on the ownership of UPHI over the property. The amendment resulted to the write-off of the receivable from CPG in 2024 (see Note 20).

Compensation of Key Management Personnel

The compensation of key management personnel are as follows:

	2025	2024	2023
Salaries and other employee benefits	₱145,175,707	₱154,490,888	₱127,231,751
Retirement expense	14,950,414	20,193,519	16,366,953
	₱160,126,121	₱174,684,407	₱143,598,704

25. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

	2025							Balances at End of the Year
	Financing Cash Flows			Noncash Transactions				
	Balances at Beginning of Year	Availments	Payments	Additions/ Declaration	Amortization of Debt Issue Cost	Interest Expense		
Loans payable	₱12,476,024,751	₱19,343,558,116	(₱13,136,165,857)	₱-	₱16,406,566	₱-	₱18,699,823,576	
Bonds payable	5,955,532,419	-	(3,000,000,000)	-	10,221,746	-	2,965,754,165	
Advances from non- controlling interests	1,010,119,597	-	(167,600,000)	216,000,000	-	-	1,058,519,597	
Dividends payable	51,132,727	-	(426,949,995)	380,214,260	-	-	4,396,992	
Lease liabilities	25,187,149	-	(15,845,305)	38,246,000	-	4,332,272	51,920,116	
Finance costs	369,938,025	-	(1,686,701,678)	-	(26,628,312)	1,537,885,030	194,493,065	
	₱19,887,934,668	₱19,343,558,116	(₱18,433,262,835)	₱634,460,260	₱-	₱1,542,217,302	₱22,974,907,511	

	2024							Balances at End of the Year
	Financing Cash Flows			Noncash Transactions				
	Balances at Beginning of Year	Availments	Payments	Additions/ Declaration	Amortization of Debt Issue Cost	Interest Expense		
Loans payable	₱11,186,817,196	₱10,010,967,199	(₱8,739,021,960)	₱-	₱17,262,316	₱-	₱12,476,024,751	
Bonds payable	5,941,522,413	-	-	-	14,010,006	-	5,955,532,419	
Advances from non- controlling interests	1,102,119,597	-	(92,000,000)	-	-	-	1,010,119,597	
Dividends payable	5,686,177	-	(474,474,297)	519,920,847	-	-	51,132,727	
Lease liabilities	-	-	(5,568,750)	29,015,160	-	1,740,739	25,187,149	
Finance costs	280,805,743	-	(1,359,833,592)	-	(31,272,322)	1,480,238,194	369,938,023	
	₱18,516,951,126	₱10,010,967,199	(₱10,670,898,599)	₱548,936,007	₱-	₱1,481,978,933	₱19,887,934,666	

26. Earnings Per Share

Basic and diluted earnings per share (EPS) are computed as follows:

	2025	2024	2023
Net income attributable to equity holders of the Parent Company	₱414,708,712	₱575,999,975	₱948,309,181
Less share of Series C, D and F preferred shares in 2025, 2024 and 2023	(316,397,115)	(260,103,705)	(249,276,000)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	₱98,311,597	₱315,896,270	₱699,033,181
Weighted average number of common shares for basic and diluted EPS	5,318,095,199	5,318,095,199	5,318,095,199
Basic and diluted EPS	₱0.0185	₱0.0594	₱0.1314

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The Group has no dilutive potential common shares outstanding during the periods presented.

27. Financial Risk Management Objectives and Policies

The Group's financial instruments comprise cash in banks, cash equivalents, financial assets at FVPL, receivables (excluding accrued rent receivable), deposits, amounts held in escrow, amounts held in trust, loans payable, bonds payable, accounts and other payables (except statutory liabilities, deferred output VAT, advance rent and advances from buyers) and advances from non-controlling interests.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks as summarized below.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the Group. The Group's exposure to credit risk arises primarily from its trade receivables, contract assets, and other financial assets at amortized cost.

The Group's maximum exposure to credit risk is generally equal to the carrying amount of its financial assets, without taking into account any collateral or other credit enhancements.

The Group manages credit risk through established credit policies, including credit evaluation, approval processes, and ongoing monitoring of receivables and contract assets.

Trade Receivables and Contract Assets

The Group's trade receivables and contract assets arise primarily from the sale of real estate units under installment arrangements and leasing activities.

For real estate sales, the Group assesses buyers' creditworthiness prior to contract execution and monitors collections on an ongoing basis. Contract assets represent the Group's right to consideration for work performed but not yet billed and are subject to credit risk related to buyer default and contract cancellations.

For real estate sales, legal title to the property is generally transferred only upon full payment by the buyer. In the event of buyer default, the Group has the contractual right to cancel the sale and repossess the property. Repossessed units may subsequently be resold. These features mitigate the Group's exposure to credit risk, as the underlying real estate asset provides a form of security against potential losses. Historically, the Group has experienced low levels of credit losses on its real estate receivables.

Nevertheless, the Group applies the simplified approach under PFRS 9 in measuring expected credit losses, which requires recognition of lifetime ECL for trade receivables and contract assets.

The Group considers historical default and cancellation rates, current conditions, and forward-looking information, including trends in the real estate market, in assessing expected credit losses.

Other Financial Assets at Amortized Cost

The Group's other financial assets at amortized cost include cash in banks, cash equivalents, deposits, and amounts held in escrow and trust. The Group limits its exposure to credit risk by transacting only with financial institutions with high credit quality. These instruments are considered to have low credit risk, and the Group applies a 12-month ECL approach.

Concentration of Credit Risk

The Group's exposure to credit risk is influenced by the characteristics of its customer base. The Group's receivables and contract assets are primarily derived from:

- Individual buyers of residential units
- Commercial tenants

The Group has no significant concentration of credit risk with a single counterparty or group of counterparties.

Financial Assets at FVPL

The Group is also exposed to credit risk in relation to its investment in money market fund that is measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL.

Assets that are credit-impaired are separately presented.

	2025				
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired		
Cash and cash equivalents*	P1,380,888,883	P-	P-	P-	P1,380,888,883
Financial assets at FVPL	-	-	-	271,312,173	271,312,173
Receivables**	-	3,349,816,380	1,746,790	-	3,351,563,170
Contract assets	-	8,891,243,368	-	-	8,891,243,368
Deposits	142,030,117	-	-	-	142,030,117
Amounts held in escrow	249,763,060	-	-	-	249,763,060
Amounts held in trust	40,019,673	-	-	-	40,019,673
	P1,812,701,733	P12,241,059,748	P1,746,790	P271,312,173	P14,326,820,444

*Excludes cash on hand amounting to P225,860

**Excludes accrued rent receivable amounting to P65.4 million as at December 31, 2025.

	2024				
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired		
Cash and cash equivalents*	P4,045,768,662	P-	P-	P-	P4,045,768,662
Financial assets at FVPL	-	-	-	1,895,958,320	1,895,958,320
Receivables**	-	1,753,712,299	1,746,790	-	1,755,459,089
Contract assets	-	7,625,261,813	-	-	7,625,261,813
Deposits	502,128,321	-	-	-	502,128,321
Amounts held in escrow	335,370,367	-	-	-	335,370,367
Amounts held in trust	9,503,621	-	-	-	9,503,621
	P4,892,770,971	P9,378,974,112	P1,746,790	P1,895,958,320	P16,169,450,193

*Excludes cash on hand amounting to P195,000.

**Excludes accrued rent receivable amounting to P18.0 million as at December 31, 2024.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents, monitoring forecast and actual cash flows, and maintaining adequate unutilized credit facilities from financial institutions. The Group also manages liquidity through external financing, including bank borrowings and capital market issuances, as necessary.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows as at December 31, 2025 and 2024. The amounts presented include both principal and interest payments, where applicable.

2025						
	Due and Payable on Demand	Less than 1 Year	1-2 Years	>2-3 Years	Over 3 Years	Total
Loans payable	P-	P11,431,029,373	P3,708,247,503	P1,772,623,444	P1,850,000,000	P18,761,900,320
Bonds payable	-	-	1,600,000,000	-	1,400,000,000	3,000,000,000
Accounts and other payables*	672,178,812	3,405,820,946	642,287,679	753,247,000	-	5,473,534,437
Advances from non-controlling interest	1,058,519,597	-	-	-	-	1,058,519,597
	P1,730,698,409	P14,836,850,319	P5,950,535,182	P2,525,870,444	P3,250,000,000	P28,293,954,354

*Excludes advances from buyers, advance rent, deferred output VAT and statutory payables aggregating to P1,537.0 million as at December 31, 2025.

2024						
	Due and Payable on Demand	Less than 1 Year	1-2 Years	>2-3 Years	Over 3 Years	Total
Loans payable	P-	P8,699,545,361	P3,792,914,435	P-	P-	P12,492,459,796
Bonds payable	-	3,000,000,000	-	-	3,000,000,000	6,000,000,000
Accounts and other payables*	637,212,544	2,330,364,457	-	-	-	2,967,577,001
Advances from non-controlling interest	1,010,119,597	-	-	-	-	1,010,119,597
	P1,647,332,141	P14,029,909,818	P3,792,914,435	P-	P3,000,000,000	P22,470,156,394

*Excludes advances from buyers, advance rent and statutory payables aggregating to P1,294.6 million as at December 31, 2024.

Nature of Financial Liabilities and Timing of Cash Flows

Loans payable represent the Group's primary source of external financing and are obtained to fund working capital requirements, project development, and acquisitions. A significant portion of these loans is due within one year and is expected to be settled through a combination of internally generated cash flows, collections from related parties, and refinancing with existing or new credit facilities.

Bonds payable consist of fixed-rate instruments with bullet repayment terms. The Group manages the liquidity risk associated with these instruments through advance planning of refinancing or repayment strategies prior to maturity. During the year, bonds amounting to P3.0 billion matured and were settled.

Accounts and other payables are generally non-interest bearing and are expected to be settled within the normal operating cycle. Certain liabilities such as security deposits and advance rent do not represent immediate cash outflows and are excluded from the maturity analysis as appropriate.

Advances from non-controlling interest are generally payable on demand; however, settlement is managed within the group based on overall cash flow requirements.

Liquidity Risk Management

The Group monitors its exposure to a shortage of funds through regular review of its maturity profile of financial liabilities and expected cash inflows from operations and financing activities. The Group prepares cash flow forecasts on a daily and monthly basis to ensure that it has sufficient liquidity to meet its obligations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, capital market issuances, and internally generated funds.

The Group addresses liquidity requirements through:

- Cash flows generated from real estate sales, leasing and other operations
- Availability of committed credit facilities from banks amounting to ₱8,088.9 million as at December 31, 2025
- Access to capital markets for bond issuances, when necessary

Refinancing Risk

The Group is exposed to refinancing risk arising from its borrowings, particularly loans payable and bonds payable with fixed maturity dates. The Group manages this risk by maintaining good relationships with financial institutions, monitoring market conditions, and initiating refinancing activities sufficiently ahead of maturity dates.

Covenant Compliance

Certain loan agreements and bonds payable require the Group to maintain financial ratios, including a current ratio of at least 1.5x and a debt-to-equity ratio not exceeding 2.0x, based on the consolidated financial statements.

As at December 31, 2025 and 2024, the Group is in compliance with these covenants. The Group monitors compliance with these requirements on a regular basis to ensure continued access to financing and to avoid potential acceleration of obligations.

Concentration of Liquidity Risk

The Group's liquidity risk is influenced by its reliance on cash flows from subsidiaries. Delays in collections from these entities may impact the Group's ability to meet its obligations as they fall due. Management continuously monitors the financial performance and cash flow projections of its subsidiaries to mitigate this risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its borrowings from local banks, which include both fixed-rate and variable-rate instruments.

Borrowings with fixed interest rates expose the Group to fair value interest rate risk, while borrowings with variable interest rates expose the Group to cash flow interest rate risk due to periodic repricing.

The Group manages its exposure to interest rate risk by maintaining an appropriate mix of fixed and variable rate borrowings, taking into account prevailing market conditions, and by regularly monitoring interest rate movements.

Sensitivity Analysis

The following table demonstrates the sensitivity of the Group's income before tax to a reasonably possible change in interest rates, with all other variables held constant:

	Change in interest rate	Effect on income before tax
December 31, 2025	-45.46%	21,025,539
	45.46%	(21,025,539)
December 31, 2024	-29.27%	46,747,857
	29.27%	(46,747,857)

The sensitivity analysis assumes that the change in interest rates applies to variable rate borrowings outstanding at the reporting date.

The assumed changes in interest rates of 45.46% and 29.27% in 2025 and 2024, respectively, represent management's assessment of reasonably possible changes in market interest rates based on observable market data at the reporting date. A positive change in interest rates would result in an increase in interest expense and a corresponding decrease in income before tax, while a negative change would have the opposite effect.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position to support its business operations and growth, while maximizing shareholder value and maintaining an optimal capital structure.

The Group manages its capital structure, which consists of debt and equity, and monitors its capital using financial leverage ratios, such as the debt-to-equity ratio, defined as interest-bearing borrowings and liabilities for deferred purchase price of property and services, divided by total equity and advances from non-controlling interest.

The Group's policy is to maintain a level of leverage that is consistent with industry norms and within the limits set by its financing agreements. The Group monitors compliance with financial covenants associated with its borrowings as part of its capital management process.

Capital for the reporting periods under review is summarized as follows:

	2025	2024
Total liabilities	₱33,058,291,862	₱26,289,431,728
Total equity	14,648,750,876	14,252,302,840
Debt to equity ratio	2.26:1.00	1.84:1.00

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and the risk profile of its assets. To maintain or adjust its capital structure, the Group may:

- adjust dividend payments to shareholders;
- issue new shares or other equity instruments;
- obtain additional borrowings or refinance existing debt; and
- dispose of assets to reduce leverage.

The Group has complied with all externally imposed capital requirements, including financial covenants, during the reporting periods.

Financial Ratios and Performance Monitoring

The Group monitors key financial ratios as part of its overall financial and risk management processes. These include liquidity ratios (such as current ratio), leverage ratios (such as debt-to-equity ratio), profitability metrics, and interest coverage ratios.

These ratios are reviewed regularly by management and the Board to assess financial performance, monitor trends, and ensure compliance with financial covenants associated with the Group's borrowings. As at the reporting date, the Group is in compliance with all such covenants.

28. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Group's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

		2025			
		Fair Value			
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	6	P271,312,173	P271,312,173	P-	P-
Investment properties	10	16,569,289,505	-	3,056,256,603	13,513,032,902
Financial assets at amortized cost - Deposits	12	142,030,117	-	-	142,030,117
		P16,982,631,795	P271,312,173	P3,056,256,603	P13,655,063,019
Liability for which fair value is disclosed -					
Loans payable	14	P18,699,823,576	P-	P17,873,637,329	P-
Bonds payable	15	2,965,754,165	-	2,434,110,185	-
		P21,665,577,741	P-	P20,307,747,514	P-
		2024			
		Fair Value			
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	6	P1,895,958,320	P1,895,958,320	P-	P-
Investment properties	10	14,590,019,555	-	1,971,065,512	12,618,954,043
Financial assets at amortized cost - Deposits	12	502,128,321	-	-	502,128,321
		P16,988,106,196	P1,895,958,320	P1,971,065,512	P13,121,082,364
Liability for which fair value is disclosed -					
Loans payable	14	P12,476,024,751	P-	P12,658,799,990	P-
Bonds payable	15	5,955,532,419	-	6,280,628,403	-
		P18,431,557,170	P-	P18,939,428,393	P-

The following methods and assumptions were used in estimating the fair value of the Group's financial assets and liabilities:

Financial Assets and FVPL. The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices.

Investment Properties. The fair value of investment properties were determined using discounted cash flow approach, depreciated replacement cost approach and market data approach.

Deposits. Deposits are measured at amortized cost. The fair value of deposits has not been determined using observable market data because management believes that the difference between fair value and carrying amount is not significant. The fair value of utility deposits has been categorized as level 3.

Loans and Bonds Payable. The fair value of the Group's loans and bonds payable were determined by discounting the sum of all future cash flows using the prevailing market rates of interest for instruments with similar maturities. Interest-bearing loans and bonds payable include accrued interest in the estimation of its fair value.

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate fair values as at December 31, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	₱1,381,114,743	₱4,045,963,662
Receivables*	3,349,816,380	1,753,712,299
Amounts held in escrow	249,763,060	335,370,367
Amounts held in trust	40,019,673	9,503,621
	₱5,020,713,856	₱6,144,549,949
Financial liabilities:		
Accounts and other payables**	₱5,421,614,321	₱2,942,389,852
Advances from non-controlling interests	1,058,519,597	1,010,119,597
	₱6,480,133,918	₱3,952,509,449

*Excludes accrued rent receivable amounting to ₱65.4 million and ₱18.0 million as at December 31, 2025 and 2024, respectively.

**Excludes advances from buyers, advance rent, statutory liabilities and lease liabilities aggregating ₱1,588.8 million and ₱1,319.8 million as at December 31, 2025 and 2024, respectively.

Cash and Cash Equivalents, Receivables, Amounts Held in Escrow, Amounts Held in Trust, Accounts and Other Payables and Advances from Non-controlling Interests. The carrying amounts of these financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

There were no transfers between levels of fair value hierarchy in 2025 and 2024.

29. Classification of Consolidated Statements of Financial Position Accounts

The Group's current portions of its assets and liabilities as at December 31, 2025 and 2024 are as follows:

	Note	2025	2024
Current Assets			
Cash and cash equivalents	5	₱1,381,114,743	₱4,045,963,662
Financial assets at FVPL	6	271,312,173	1,895,958,320
Receivables	7	3,415,177,569	1,771,675,289
CWT		1,125,196,039	862,328,524
Input VAT		912,807,838	463,784,660
Contract assets	8	8,891,243,368	7,625,261,813
Real estate for sale	9	13,106,806,103	7,271,174,737
Other assets*	12	200,557,485	1,150,058,816
		₱29,304,215,318	₱25,086,205,821

*Excludes noncurrent portion of advances for asset purchase and land acquisition advances to contractors, deposits, software and others amounting to ₱1,351.6 million and ₱563.9 million as at December 31, 2025 and 2024, respectively.

	Note	2025	2024
Current Liabilities			
Accounts and other payables*	13	₱3,772,477,060	₱3,756,450,394
Current portion of loans payable	14	11,426,598,458	8,699,545,361
Contract liabilities	8	595,701,610	428,492,840
Current portion of bonds payable	15	—	3,000,000,000
		₱15,794,777,128	₱15,884,488,595

*Excludes noncurrent portion of payable to landowners, retention payable, deferred output VAT, and lease liabilities amounting to ₱3,238.0 million and ₱505.7 million as at December 31, 2025 and 2024, respectively.

30. Operating Segment Information

Operating segments are identified on the basis of internal reports reviewed by senior management for the purposes of allocating resources and assessing performance.

Segment performance is evaluated based on segment profit, which represents earnings before finance costs, income tax, and other non-operating items. Finance costs and certain corporate expenses are not allocated to operating segments and are presented under "Corporate."

Segment assets include assets directly attributable to a segment, while segment liabilities include liabilities directly attributable to a segment. Assets and liabilities that cannot be directly attributed are allocated on a reasonable and consistent basis.

All of the Group's operations are located in the Philippines, and all revenues are derived from domestic operations. Accordingly, no geographical segment information is presented.

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the years ended December 31, 2025, 2024 and 2023:

2025						
	Sale of Real Estate	Leasing	Property Management and Other Services	Corporate	Eliminations	Total
Segment revenue	₱4,400,040,042	₱705,069,656	₱1,497,145,080	₱-	(₱1,458,707,249)	₱5,143,547,529
Segment expenses	(3,112,735,440)	(176,582,622)	(231,172,267)	(2,439,038,370)	927,641,960	(5,031,886,739)
Segment profit	1,287,304,602	528,487,034	1,265,972,813	(2,439,038,370)	(531,065,289)	111,660,790
Net gain on change in fair value of investment properties	-	1,940,773,536	-	-	-	1,940,773,536
Finance costs	-	-	-	(2,000,153,297)	425,269,919	(1,574,883,378)
Other income - net	-	-	-	397,923,979	-	397,923,979
Income before income tax	1,287,304,602	2,469,260,570	1,265,972,813	(4,041,267,688)	(105,795,370)	875,474,927
Provision for income tax	-	-	-	-	-	(467,646,277)
Net income	-	-	-	-	-	407,828,650
Other comprehensive loss	-	-	-	-	-	4,333,446
Total comprehensive income	-	-	-	-	-	₱412,162,096
Assets	₱11,317,552,917	₱16,669,904,961	₱6,527,749	₱34,551,796,694	(₱14,838,739,584)	₱47,707,042,737
Liabilities	(₱8,562,347,455)	(₱72,485,342)	₱-	(₱33,840,792,319)	₱9,417,333,255	(₱33,058,291,861)

2024						
	Sale of Real Estate	Leasing	Property Management and Other Services	Corporate	Eliminations	Total
Segment revenue	₱5,773,479,748	₱414,901,457	₱494,193,235	₱-	(₱458,550,302)	₱6,224,024,138
Segment expenses	(4,401,083,562)	(161,816,431)	(181,108,787)	(1,413,511,073)	164,212,554	(5,993,307,299)
Segment profit	1,372,396,186	253,085,026	313,084,448	(1,413,511,073)	(294,337,748)	230,716,839
Net gain on change in fair value of investment properties	-	1,933,989,204	-	-	-	1,933,989,204
Finance costs	-	-	-	(1,651,651,045)	164,722,230	(1,486,928,815)
Other income - net	-	-	-	425,884,378	-	425,884,378
Income before income tax	1,372,396,186	2,187,074,230	313,084,448	(2,639,277,740)	(129,615,518)	1,103,661,606
Provision for income tax	-	-	-	-	-	(345,285,691)
Net income	-	-	-	-	-	758,375,915
Other comprehensive loss	-	-	-	-	-	(7,583,868)
Total comprehensive income	-	-	-	-	-	₱750,792,047
Assets	₱7,655,935,731	₱14,590,019,556	₱358,214,091	₱28,486,901,276	(₱10,549,336,086)	₱40,541,734,568
Liabilities	(₱6,192,787,928)	(₱60,722,065)	₱-	(₱27,988,061,275)	₱7,952,139,540	(₱26,289,431,728)

2023						
	Sale of Real Estate	Leasing	Property Management and Other Services	Corporate	Eliminations	Total
Segment revenue	₱6,251,574,060	₱366,299,089	₱228,620,468	₱-	(₱207,570,035)	₱6,638,923,582
Segment expenses	(3,684,000,551)	(143,250,409)	(137,397,407)	(1,424,254,541)	113,633,739	(5,275,269,169)
Segment profit	2,567,573,509	223,048,680	91,223,061	(1,424,254,541)	(93,936,296)	1,363,654,413
Net gain on change in fair value of investment properties	-	974,092,333	-	-	-	974,092,333
Finance costs	(208,516,416)	-	-	(1,020,350,432)	208,516,416	(1,020,350,432)
Other income - net	-	-	-	521,253,473	-	521,253,473
Income before income tax	2,359,057,093	1,197,141,013	91,223,061	(1,923,351,500)	114,580,120	1,838,649,787
Provision for income tax	-	-	-	-	-	(449,666,103)
Net income	-	-	-	-	-	1,388,983,684
Other comprehensive income	-	-	-	-	-	(5,129,604)
Total comprehensive income	-	-	-	-	-	₱1,383,854,080
Assets	₱8,017,297,137	₱13,168,863,171	₱101,378,769	₱25,311,040,703	(₱9,334,533,890)	₱37,264,045,890
Liabilities	(₱4,498,162,517)	(₱1,750,203,148)	₱-	(₱25,713,337,186)	₱7,813,828,746	(₱24,147,874,105)

31. Events After Reporting Period

Declaration of Cash Dividends

The Company's BOD approved and declared the following cash dividends:

<u>Class of shares</u>	<u>Declaration Date</u>	<u>Stockholders of Record Date</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Dividend per Share</u>
Series F Preferred Shares	January 21, 2026	February 4, 2026	February 16, 2026	₱45,465,705	₱9.1575
Series D Preferred Shares	January 21, 2026	February 11, 2026	March 3, 2026	45,000,000	7.5000
Series F Preferred Shares	April 8, 2026	April 23, 2026	May 14, 2026	45,465,705	9.1575

Reallocation of Use of Proceeds

Green Bonds Second Tranche

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the second tranche of green bonds effective March 20, 2026 (see Note 16).

Approval of Decrease in Authorized Capital Stock

On March 18, 2026, the SEC approved ALCO's application to decrease its authorized capital stock by ₱50.0 million preferred shares (see Note 16).



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Arthaland Corporation and Subsidiaries
7/F Arthaland Century Pacific Tower
5th Avenue corner 30th Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Arthaland Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole.


The following supplementary schedules are the responsibility of the Group's management. These are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024
- Schedules required by Annex 68-J as at December 31, 2025
- Schedule of Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Conglomerate Map

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782/P-007; Valid until June 6, 2026

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

ARTHALAND CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2025

Below is a schedule showing financial soundness indicators in the years 2025, 2024 and 2023.

	2025	2024	2023
Current/Liquidity Ratio	1.86	1.58	2.32
Current assets	₱29,304,215,318	₱25,086,205,821	₱23,620,939,847
Divided by: Current liabilities	15,794,777,128	15,884,488,595	10,168,443,635
Acid Test Ratio	0.32	0.49	0.86
Quick assets (Cash and cash equivalents, financial assets at FVPL and receivables)	5,067,604,485	7,713,597,271	8,694,452,587
Divided by: Current liabilities	15,794,777,128	15,884,488,595	10,168,443,635
Solvency Ratio	0.01	0.03	0.06
Net income before depreciation	478,436,425	826,961,062	1,451,735,811
Divided by: Total liabilities	33,058,291,861	26,289,431,728	24,147,874,105
Debt-to-Equity Ratio	2.26	1.84	1.84
Total liabilities	33,058,291,861	26,289,431,728	24,147,874,105
Divided by: Total equity	14,648,750,876	14,252,302,840	13,116,171,785
Debt-to-Equity Ratio for Loan Covenant	1.50	1.36	1.39
Total Debt (interest-bearing borrowings and liabilities for deferred purchase price of property)*	23,525,824,741	19,441,676,767	18,230,459,206
Total Equity (includes advances from non-controlling interest in 2025)	15,707,270,473	14,252,302,840	13,116,171,785
Asset-to-Equity Ratio	3.26	2.84	2.84
Total assets	47,707,042,737	40,541,734,568	37,264,045,890
Divided by: Total equity	14,648,750,876	14,252,302,840	13,116,171,785
Interest Rate Coverage Ratio	1.57	1.74	2.81
Pretax income before interest	2,417,692,229	2,585,640,539	2,854,835,245
Divided by: Interest expense	1,542,217,302	1,481,978,933	1,016,185,458
Return on Assets Ratio	0.01	0.02	0.04
Net income	407,828,650	758,375,915	1,388,983,684
Divided by: Average total assets	44,124,388,653	38,902,890,229	36,828,376,490
Return on Equity Ratio	0.03	0.06	0.11
Net income	407,828,650	758,375,915	1,388,983,684
Divided by: Average total equity	14,450,526,858	13,684,237,313	12,588,241,358

*Advances from non-controlling interest were included in total debt in 2024 and 2023.

ARTHALAND CORPORATION AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II
OF REVISED SRC RULE 68
DECEMBER 31, 2025

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F	Guarantees of Securities of Other Issuers	<u>N/A</u>
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ARTHALAND CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Deductions		Ending Balance		Balance at end of year
				Sale	Current	Not current		
Advances to subsidiaries:								
Cebu Lavana Land Corp.	₱2,936,995,930	₱7,455,000	(₱332,455,000)	₱-	₱2,611,995,930	₱-	₱2,611,995,930	
Cazneau, Inc.	954,545,410	207,642,467	-	-	-	1,162,187,877	1,162,187,877	
Zileya Land Development, Inc.	527,123,444	765,500,000	(752,623,444)	(216,000,000)	-	324,000,000	324,000,000	
Bhavana Properties Inc.	331,800,000	359,600,000	(10,600,000)	-	-	680,800,000	680,800,000	
Bhavya Properties Inc.	314,408,714	186,000,000	(24,000,000)	-	-	476,408,714	476,408,714	
Urban Property Holdings, Inc. (net of allowance for impairment amounting to ₱3,261,249)	165,067,178	6,500,000	-	-	171,567,178	-	171,567,178	
Savya Land Development Corporation	-	467,000,000	(267,000,000)	-	200,000,000	-	200,000,000	
Kashtha Holdings Inc.	154,500,000	-	(134,400,000)	-	20,100,000	-	20,100,000	
Pradhana Land Inc.	49,573,025	-	-	-	49,573,025	-	49,573,025	
Arthaland Property Prestige Solutions, Inc.	6,446,956	5,300,000	(2,000,000)	-	9,746,956	-	9,746,956	
Sotern Land Corporation	-	84,500,000	-	-	84,500,000	-	84,500,000	
Furusato Land Corporation	-	31,601,026	(430,000)	-	31,171,026	-	31,171,026	
Manchesterland Properties, Inc.	4,400,000	-	-	-	4,400,000	-	4,400,000	
	₱5,444,860,657	₱2,121,098,493	(₱1,523,508,444)	(₱216,000,000)	₱3,183,054,115	₱2,643,396,591	₱5,826,450,706	
Advances from subsidiaries:								
Manchesterland Properties, Inc.	₱284,632,299	₱-	₱-	₱-	₱284,632,299	₱-	₱284,632,299	

ARTHALAND CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" related balance sheet	Amount shown under caption "Long-Term Debt" in related statement of financial position			
			Carrying amount	Interest Rates	Payment Terms	Maturity Dates
Bank Loans:						
Bank 1	₱500,000,000	₱500,000,000	₱-	8.75%	At end of term	March 20, 2026 to August 28, 2026
Bank 2	500,000,000	460,937,500	208,214,983	7.53% to 8.12%	Quarterly	June 28, 2027 to March 27, 2028
Bank 3	350,000,000	-	350,000,000	7.50%	At end of term	July 24, 2026
Bank 4	300,000,000	82,500,000	-	8.85%	At end of term	February 3, 2026
Bank 5	400,000,000	400,000,000	-	7.00%	At end of term	March 23, 2026
Bank 6	605,000,000	50,000,000	-	8.00%	At end of term	May 13, 2026
Bank 7	1,450,000,000	1,389,119,646	-	8.19% to 8.50%	At end of term	January 6, 2026 to June 24, 2026
Bank 8	2,215,500,000	1,425,900,000	779,334,988	8.09% to 8.62%	At end of term	May 4, 2026 to December 13, 2027
Bank 9	1,500,000,000	-	1,488,809,680	6.91%	Quarterly	February 6, 2030
Bank 10	1,000,000,000	-	983,725,394	7.47%	Quarterly	May 27, 2030
Bank 11	1,000,000,000	264,033,037	-	6.25% to 8.48%	Quarterly	February 9, 2026 to August 10, 2026
Bank 12	250,000,000	206,045,000	-	8.19% to 8.50%	At end of term	January 6, 2026 to June 17, 2026
Bank 13	200,000,000	120,000,000	-	7.50%	At end of term	November 13, 2026 to November 27, 2026
Bank 14	1,000,000,000	242,212,547	-	8.00% to 8.25%	At the end of term	October 22, 2026 to October 29, 2026
Bank 15	472,660,730	47,872,727	423,064,435	6.75%	At the end of term	May 04, 2026 to April 16, 2027
Bank 16	1,000,000,000	62,609,873	-	6.75%	At the end of term	November 26, 2026
Bank 17	1,236,461,649	666,174,260	562,936,763	7.75%	At the end of term	July 31, 2026 to May 13, 2027
Bank 18	857,750,000	857,750,000	-	7.50%	At end of term	February 5, 2026 to November 12, 2026
Bank 19	500,000,000	474,894,900	-	8.19% to 8.50%	At end of term	January 7, 2026 to June 30, 2026
Bank 20	168,879,288	168,879,288	-	6.5% to 6.75%	At end of term	May 24, 2026 to December 27, 2026
Bank 21	930,000,000	627,507,212	-	6.17% to 8.78%	Quarterly	November 27, 2026

(Forward)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" related balance sheet	Amount shown under caption "Long-Term Debt" in related statement of financial position			
			Carrying amount	Interest Rates	Payment Terms	Maturity Dates
Bank 22	₱1,200,000,000	₱590,340,328	₱—	7.16% to 7.25%	Unequal monthly installments	August 30, 2026 to December 30, 2026
Bank 23	39,502,497	39,502,497	—	7.75%	At the end of term	November 27, 2026 to December 27, 2026
Bank 24	180,000,000	87,000,000	—	7.50%	At the end of term	December 14, 2026 to December 21, 2026
Bank 25	930,000,000	543,766,780	267,446,159	6.37% to 9.1%	Quarterly	January 5, 2027
Bank 26	268,000,000	125,444,000	—	7.50%	At end of term	July 31, 2026 to November 13, 2026
Bank 27	1,500,000,000	502,018,916	—	8.00%	At end of term	March 13, 2026 to October 29, 2026
Bank 28	1,000,000,000	404,030,125	72,581,362	7.25%	Unequal monthly installments	February 28, 2026 to October 30, 2027
Bank 29	224,035,854	224,035,853	—	7.75%	At end of term	October 27, 2026 to November 2, 2026
Bank 30	1,381,000,000	90,000,000	570,000,000	7.60% to 8.00%	Quarterly	September 28, 2028
Bank 31	1,224,800,000	740,800,000	434,000,000	7.81% to 8.62%	At end of term	May 11, 2026 to November 08, 2027
Bank 32	2,414,000,000	—	1,113,111,353	7.31% to 7.77%	Quarterly	July 25, 2030
Private funders	41,578,970	41,578,970	—	5.40%	At end of term	July 7, 2026 to September 4, 2026
Private funders	11,645,000	11,645,000	—	5.40%	At end of term	January 7 2026 to June 6 2026
	₱26,850,813,988	₱11,446,598,459	₱7,253,225,117			

ARTHALAND CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2025

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common shares - ₱0.18 par value per share	16,368,095,199	5,318,095,199	–	3,650,954,906	76,715,159	1,590,425,134
Preferred shares - ₱1.00 par value per share	80,000,000	47,464,860	–	26,500,000	–	20,964,860

**PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

ARTHALAND CORPORATION
7/F Arthaland Century Pacific Tower
5th Avenue corner 30th Street
Bonifacio Global City, Taguig City

	Amount
Retained earnings available for dividend declaration as at the beginning of reporting period	₱123,856,758
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	380,214,260
Deficit , as adjusted	(256,357,502)
Add: Net income for the current year	1,252,333,544
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	354,208
Unrealized fair value gain of investment property	684,594,662
Sub-total	684,948,870
Sub-total	311,027,172
Less: Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	11,570,014
Sub-total	322,597,186
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of net deferred tax asset not considered in the reconciling items under the previous categories	46,763,123
Sub-total	46,763,123
Retained earnings available for dividend declaration as at the end of reporting period	₱275,834,063

ARTHALAND CORPORATION
SCHEDULE OF USE OF PROCEEDS
DECEMBER 31, 2025

Green Bonds - Second Tranche

The gross proceeds from the offer of the second tranche of the Bonds amounted to ₱3,000.0 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱-
Project Vanilla	1,120.0	930.3	930.3	-
Project Olive	1,378.0	-	-	-
Project Teal	-	200.0	50.0	150.0
ACPT Loan and Others	276.0	225.0	225.0	-
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

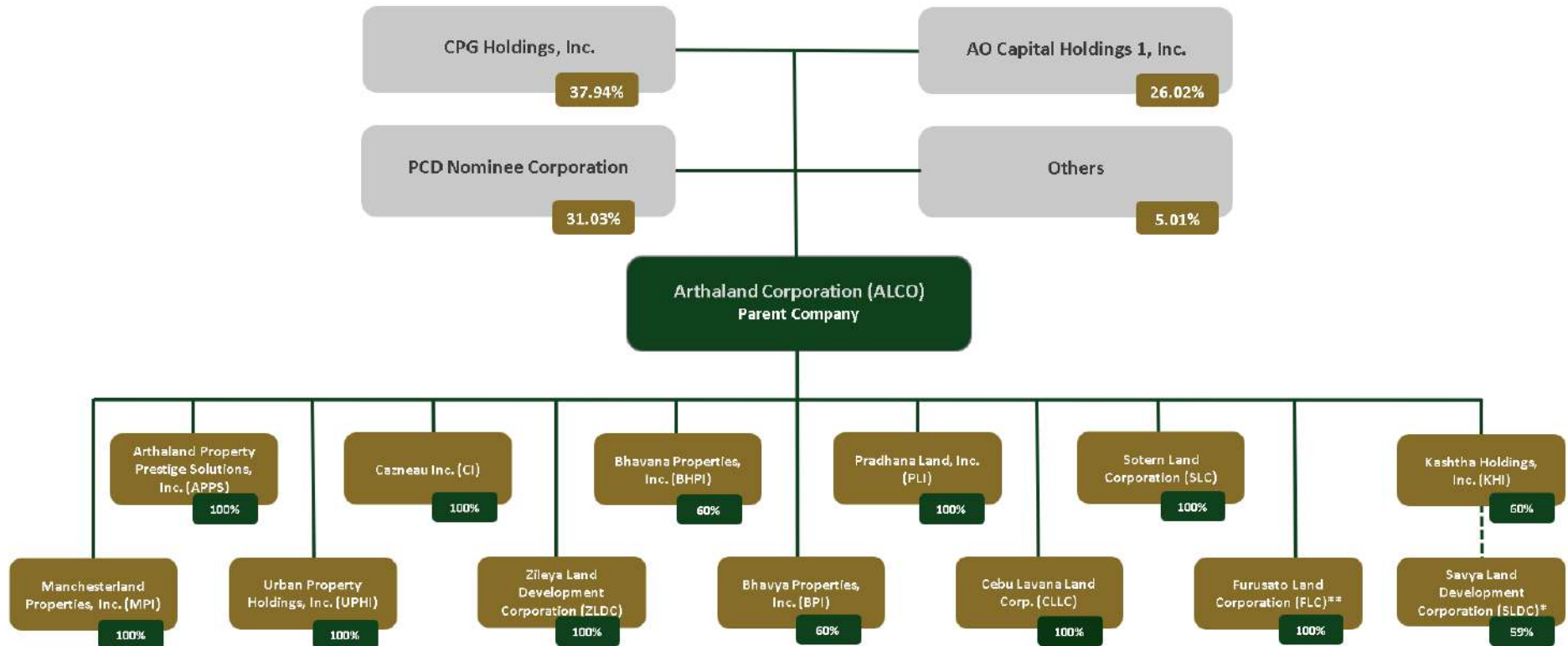
Series F Preferred Shares

The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, ₱2,451.5 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱-
Project Teal	1,140.0	821.5	821.5	-
ACPT Loan and Others	342.4	200.0	200.0	-
Debt Service Reserve Account (DSRA)				-
Requirement for ACPT Loan	-	200.0	200.0	
Investment into Bhavya to Fund Project Eluria	-	30.0	30.0	-
General Corporate Purposes	-	200.0	200.0	-
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱-

CONGLOMERATE MAP



*Indirect ownership
**Incorporated May 14, 2025

ARTHALAND CORPORATION

**SUPPLEMENTARY SCHEDULES OF EXTERNAL AUDITOR FEE RELATED INFORMATION
DECEMBER 31, 2025 AND 2024**

	2025	2024
Total Audit Fees	₱6,199,250	₱5,665,000
Non-audit services fees:		
Other assurance services	-	3,500,000
Tax services	-	892,857
All other services	700,000	540,000
Total Non-Audit Fees	700,000	4,932,857
Total Audit and Non-audit Fees	₱6,899,250	₱10,597,857

Audit and Non-audit Fees of Other Related Entities

	2025	2024
Audit Fees	₱-	₱-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of Other Related Entities	₱-	₱-

A S 9 4 0 0 7 1 6 0

SEC Registration Number

A R T H A L A N D C O R P O R A T I O N A N D

S U B S I D I A R I E S

(Company's Full Name)

7 F A R T H A L A N D C E N T U R Y P A C I F I C T O W E R

5 T H A V E N U E C O R N E R 3 0 T H S T R E E T

B O N I F A C I O G L O B A L C I T Y

T A G U I G C I T Y

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

MARIVIC S. VICTORIA

(Contact Person)

(+632) 8403-6910

(Company Telephone Number)

1 2 3 1

Month Day (Fiscal Year)

1 7 - Q

(Form Type)

0 6 Last Fri

Month Day (Annual Meeting)

N.A.

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

1,899

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: May 15, 2026 01:44:29 PM

Company Information

SEC Registration No.: AS94007160

Company Name: ARTHALAND CORPORATION

Industry Classification: K70120

Company Type: Stock Corporation

Document Information

Document ID: OST105152026811383198

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: March 31, 2026

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents



Quarterly Report

From Philippine Stock Exchange <no-reply@pse.com.ph>

Date Fri 5/15/2026 2:10 PM

To Daisy D. Cruz <ddcruz@arthaland.com>; g.vince.casanova@gmail.com <g.vince.casanova@gmail.com>; ggcasanova@arthaland.com <ggcasanova@arthaland.com>; John Christian Gigante <jrgigante@arthaland.com>; Margeline C. Hidalgo <mchidalgo@arthaland.com>; Marivic S. Victoria <msvictoria@arthaland.com>; Riva Khristine Maala <rvmaala@arthaland.com>; Sheryll P. Verano <spverano@arthaland.com>; disclosure@pse.com.ph <disclosure@pse.com.ph>

Dear Sir/Madam: Your disclosure was approved as Company Report. Details are as follows:
 Company Name: Arthaland Corporation Reference Number: 0017874-2026 Date and Time: Friday, May 15, 2026 14:10 PM Template Name: Quarterly Report Report Number: CR03558-2026 Best Regards, PSE EDGE This e-mail message, including any attached file, is confidential and legally privileged. It is solely for the intended recipient. If you received this e-mail by mistake, you should immediately notify the sender and delete this message from your system. If you are not the intended recipient, you are prohibited from disseminating, distributing or copying this e-mail and its contents. Unauthorized or unlawful access, processing, use, misuse, alteration, interception, interference, communication, disclosure, distribution, downloading, uploading, copying, storage, reproduction and/or replication of any or all information, including personal and sensitive personal information ("Personal Data"), data, file(s), text, numbers, figures, images and/or graphics provided herein is punishable by law in accordance with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, Republic Act No. 10175, otherwise known as the Cybercrime Prevention Act of 2012, and other applicable laws and regulations. This e-mail cannot be guaranteed to be secure and error-free as it could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses or other malicious programs. Therefore, the sender does not accept liability for any errors or omissions in the contents of this e-mail, which arise as a result of the transmission. Unless it relates to business discharged by officials of the PSE, any views, opinions or factual assertions contained are those of the author and not necessarily of the PSE. The PSE prohibits unofficial use of its e-mail and consequently disclaims and accepts no liability for any damage caused by any libelous and defamatory statements transmitted via this e-mail. If verification is required, please request for a hard copy. To know about your rights as a data subject under the Data Privacy Act of 2012 and how the PSE processes and protects the Personal Data it collects and stores, you may visit the Privacy Policy page of PSE's website at <https://apc01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.pse.com.ph%2FstockMarket%2Fcontent.html%3Fsec%3Dprivacypolicy&data=05%7C02%7Cddcruz%40arthaland.com%7C364c053be4294836be1e08deb248a0bd%7Cd4fe2526c1e14ad3b425f3737cbdc476%7C0%7C0%7C639144222186931897%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIlIAoiJXaW4zMilSkFOljoiTWFpbClldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=XLF2M047aX5UdM5DPHS77EpTQl6TSn21U1gX0bpEbMA%3D&reserved=0> The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634



Re: [EXTERNAL] Arthaland Disclosure | Quarterly Report (SEC Form 17-Q) March 31, 2026

From PDEX Disclosure <pdex.disclosure@pds.com.ph>

Date Fri 5/15/2026 2:36 PM

To Marivic S. Victoria <msvictoria@arthaland.com>

Cc Riva Khristine Maala <rvmaala@arthaland.com>; Margeline C. Hidalgo <mchidalgo@arthaland.com>; Ma. Eileen Belle G. Cruz <mebgcruz@arthaland.com>; Daisy D. Cruz <ddcruz@arthaland.com>

Ladies and Gentlemen:

We acknowledge receipt of the disclosure and the attached document.

Thank you and regards,

Rodolfo "Rod" S. Cristobal III
Compliance & Disclosure Associate
Market Regulatory Services Group

Philippine Dealing & Exchange Corp.
29th Floor BDO Equitable Tower • 8751 Paseo de Roxas, Makati City, 1226 Philippines

Tel. No. (+632) 8884-4462

Email: rodolfo.cristobal@pds.com.ph

Web: www.pds.com.ph

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From: Marivic S. Victoria <msvictoria@arthaland.com>

Sent: Friday, May 15, 2026 2:18 PM

To: PDEX Disclosure <pdex.disclosure@pds.com.ph>

Cc: Riva Khristine Maala <rvmaala@arthaland.com>; Margeline C. Hidalgo <mchidalgo@arthaland.com>; Ma. Eileen Belle G. Cruz <mebgcruz@arthaland.com>; Daisy D. Cruz <ddcruz@arthaland.com>

Subject: [EXTERNAL] Arthaland Disclosure | Quarterly Report (SEC Form 17-Q) March 31, 2026

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ATTY. SUZY CLAIRE R. SELLEZA

Head - Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Subject: Quarterly Report (SEC Form 17-Q) as of March 31, 2026

Ladies and Gentlemen:

Please find attached the subject disclosure made to the SEC and PSE today.

We trust you find the same in order.

Thank you.

MARIVIC S. VICTORIA
Chief Finance Officer
ARTHALAND CORPORATION
7F Arthaland Century Pacific Tower
5th Avenue Corner 30th Street
Bonifacio Global City
1634 Taguig City Philippines
www.arthaland.com

T: (+632) 8403 6910

M: 09175949087

E: msvictoria@arthaland.com

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ARTHALAND CORPORATION

(Company's Full Name)

7/F ArthaLand Century Pacific Tower, 5th Avenue corner 30th Street

Bonifacio Global City, Taguig City

(Company's Address)

8403-6910

(Telephone Number)

December 31

(Fiscal year ending)

(month & day)

June 27

(Annual Meeting)

SEC FORM 17 – Q QUARTERLY REPORT

(Form Type)

Amendment Designation (If applicable)

March 31, 2026

(Period Ended Date)

(Secondary License Type & File Number)

LCU

(Cashier)

DTU

ASO-94-007160

(SEC Number)

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 11 OF THE
REVISED SECURITIES ACT AND RSA RULE 11(a)-1 (b)(2) THEREUNDER

1. For the quarterly period ended March 31, 2026

2. Commission Identification No. ASO-94-007160

3. BIR TIN 004-450-721-0000

4. Exact name of registrant as specified in its character

ARTHALAND CORPORATION

5. Incorporated in Metro Manila, Philippines on August 10, 1994.

6. Industry Classification Code _____ (SEC Use Only).

7. Address of registrant's principal office Postal Code
**7/F ArthaLand Century Pacific Tower, 5th Avenue corner 30th Street,
Bonifacio Global City, Taguig City** **1634**

8. Registrant's Telephone Number : 8403-6910

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

10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares Outstanding</u>	<u>Amount of Debt Outstanding</u>
Common Shares	5,318,095,199 (₱0.18 par value)	None
Preferred Shares – Series A	12,500,000 (₱1.00 par value)	None
Preferred Shares – Series D	6,000,000 (₱1.00 par value)	None
Preferred Shares – Series E	14,000,000 (₱1.00 par value)	None
Preferred Shares – Series F	4,964,860 (₱1.00 par value)	None

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

YES [X] NO []

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

Philippine Stock Exchange – ALL Outstanding Common Shares and Preferred Shares Series D and F ONLY.

12. Indicate by check mark whether the registrant :

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 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 90 days.

YES [X] NO []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

See attached.

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

See attached.

PART II - OTHER INFORMATION

There are no other information for the period not previously reported in SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **ARTHALAND CORPORATION**

Signature and Title : 
JAIME C. GONZÁLEZ
President

Signature and Title : 
MARVIC S. VICTORIA
Chief Finance Officer

Date : May 06, 2026

ITEM 1. Financial Statements Required under SRC RULE 68.1

1. Basic and Diluted Earnings per Share (See attached Income Statement).
2. The accompanying interim consolidated financial statements of **Arthaland Corporation (ALCO)** were prepared in accordance with accounting principles generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standards (PAS).
3. Notes to Financial Statements:
 - a. The accompanying interim consolidated financial statements of **ALCO** were prepared in accordance with PFRS. The financial statements have been prepared using the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values, and net retirement liability which is carried at the present value of the defined benefit obligation at the end of the reporting period. The interim consolidated financial statements are presented in Philippine Pesos.
 - b. There is no significant seasonality or cycle of interim operations.
 - c. There are no material events subsequent to the end of the interim period not previously reported in SEC form 17-C.
 - d. Except as otherwise disclosed separately and mentioned in the general information in this Report, there are no changes in the composition of the issuer during the interim period including business combinations, acquisition of subsidiaries and long-term investments, restructurings and discontinuing operations.
 - e. There are no material changes in the contingent liabilities or contingent assets since the last annual balance sheet date.
 - f. There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.
 - g. Except as otherwise disclosed separately and excluding those projects already in ALCO's pipeline as outlined in this Report, there are no other material commitments for capital expenditures since the last annual balance sheet date.
 - h. Except as otherwise disclosed separately and mentioned in the analysis of financial risks in this Report, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There is no foreseen event that will cause a material change in the relationship between costs and revenues.
 - i. There are no material off-balance sheet transactions, arrangements, obligations and other relationship of the company with unconsolidated entities or other persons created during the reporting period.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2026 AND DECEMBER 31, 2025

	Note	MARCH 31, 2026 (UNAUDITED)	DECEMBER 31, 2025 (AUDITED)
ASSETS			
Cash and cash equivalents	4	₱1,152,711,454	₱1,381,114,743
Financial assets at fair value through profit or loss (FVPL)	5	325,488,024	271,312,173
Receivables	6	2,215,659,923	3,415,177,569
Creditable withholding taxes		1,186,043,334	1,125,196,039
Input value-added tax (VAT)		1,008,622,035	912,807,838
Contract assets	7	9,527,678,626	8,891,243,368
Real estate for sale	8	12,838,325,129	13,106,806,103
Investment properties	9	17,636,841,942	16,569,289,505
Property and equipment	10	331,020,470	312,362,975
Other assets	11	1,873,026,442	1,721,732,425
		₱48,095,417,379	₱47,707,042,738
LIABILITIES AND EQUITY			
Liabilities			
Accounts and other payables	12	₱6,521,271,752	₱7,010,503,043
Loans payable	13	19,240,783,704	18,699,823,576
Bonds payable	14	2,967,303,846	2,965,754,165
Contract liabilities	7	616,064,789	595,701,610
Advances from non-controlling interests	15	1,058,519,597	1,058,519,597
Net retirement liability	22	63,405,638	53,898,518
Net deferred tax liabilities	23	2,803,071,027	2,674,091,353
Total Liabilities		33,270,420,353	33,058,291,862
Equity Attributable to Equity Holders of the Parent			
Company	16		
Capital stock		1,004,721,996	1,004,721,996
Additional paid-in capital		6,464,321,710	6,464,321,710
Treasury stock – at cost		(1,000,000,000)	(1,000,000,000)
Parent Company’s preferred shares held by a subsidiary - at cost		(26,500,000)	(26,500,000)
Retained earnings		5,467,291,263	5,297,671,791
Other equity reserves		213,316,409	213,316,409
		12,123,151,378	11,953,531,906
Non-controlling Interests	15	2,701,845,648	2,695,218,970
Total Equity		14,824,997,026	14,648,750,876
		₱48,095,417,379	₱47,707,042,738

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

	Note	MARCH 31, 2026 (UNAUDITED)	MARCH 31, 2025 (UNAUDITED)
REVENUES	17	₱1,120,222,840	₱1,146,513,547
COST AND EXPENSES	18	681,929,869	664,997,991
GROSS INCOME		438,292,971	481,515,556
OPERATING EXPENSES	19	(465,075,214)	(431,994,946)
NET GAIN ON CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES		742,150,074	484,728,260
FINANCE COSTS	20	(423,138,793)	(323,433,558)
OTHER INCOME – Net	21	46,772,297	60,834,669
INCOME BEFORE INCOME TAX		339,001,335	271,649,981
PROVISION FOR INCOME TAX	23	102,933,849	71,297,989
NET INCOME		236,067,486	200,351,992
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		₱236,067,486	₱200,351,992
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		₱260,085,177	₱147,773,256
Non-controlling interests		(24,017,691)	52,578,736
		₱236,067,486	₱200,351,992
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		₱260,085,177	₱147,773,256
Non-controlling interests		(24,017,691)	52,578,736
		₱236,067,486	₱200,351,992
EARNINGS PER SHARE			
Basic and diluted	26	₱0.0319	₱ 0.0108

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

	Note	MARCH 31, 2026 (UNAUDITED)	MARCH 31, 2025 (UNAUDITED)
CAPITAL STOCK	16		
Common - at ₱0.18 par value			
Issued and outstanding		₱957,257,136	₱957,257,136
Preferred - at ₱1.00 par value			
Issued and outstanding		47,464,860	47,464,860
		1,004,721,996	1,004,721,996
ADDITIONAL PAID-IN CAPITAL	16	6,464,321,710	6,464,321,710
TREASURY STOCK – at cost	16	(1,000,000,000)	(1,000,000,000)
PARENT COMPANY’S PREFERRED SHARES HELD BY A SUBSIDIARY - at cost	16	(26,500,000)	(26,500,000)
RETAINED EARNINGS	16		
Balance at beginning of period		5,297,671,791	5,263,177,339
Net income for the period		260,085,177	147,773,256
Dividends declared during the period		(90,465,705)	(90,465,705)
Balance at end of period		5,467,291,263	5,320,484,890
OTHER EQUITY RESERVES	16		
Balance at beginning and end of period		213,316,409	208,982,963
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		₱12,123,151,378	₱11,972,011,559
NON-CONTROLLING INTERESTS	15		
Balance at beginning of period		2,695,218,970	2,337,598,832
Share in net income (loss) during the period		(24,017,691)	52,578,736
Increase in deposits for future stock subscription for the period		30,644,369	-
Balance at end of period		2,701,845,648	2,390,177,568
		₱14,824,997,026	₱14,362,189,127

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

	Note	MARCH 31, 2026 (UNAUDITED)	MARCH 31, 2025 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱339,001,335	₱271,649,981
Adjustments for:			
Gain on change in FV of investment properties	9	(742,150,074)	(484,728,260)
Interest expense	20	421,172,680	319,676,327
Gain on repossessions	21	(20,294,134)	(2,190,173)
Depreciation and amortization	19	14,136,930	16,854,479
Retirement expense	22	9,507,120	8,053,324
Realized holding gains	21	(7,673,537)	(46,913,251)
Interest income	21	(6,698,829)	(36,579,568)
Amortization of initial direct leasing costs		1,529,159	1,352,940
Unrealized holding losses (gains)	21	(1,350,644)	7,653,751
Foreign exchange loss (gains)	21	(599,279)	472,085
Operating income before working capital changes		6,580,727	55,301,635
Decrease (Increase) in:			
Receivables		1,180,753,665	(619,515,790)
Contract assets		(964,014,847)	64,117,728
Input value -added-tax (VAT)		(95,814,197)	(71,968,182)
Real estate for sale		426,245,853	(525,622,329)
Other assets		(101,629,234)	64,202,161
Increase (decrease) in:			
Accounts and other payables		(602,078,355)	279,441,287
Contract liabilities		22,373,354	132,587,353
Net cash used for operations		(127,583,034)	(621,456,137)
Interest received		6,545,872	36,579,568
Income taxes paid		(75,892,376)	(124,762,848)
Net cash used in operating activities		(196,929,538)	(709,639,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from disposal of:			
Financial assets at FVPL		2,112,848,330	4,416,863,943
Additions to:			
Financial assets at FVPL		(2,158,000,000)	(3,425,000,000)
Property and equipment		(24,648,721)	(5,824,017)
Investment properties		(4,455,396)	(4,311,338)
Software		(10,604,580)	(39,952,406)
Net cash generated from (used in) investing activities		(84,860,367)	941,776,182
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans payable		2,878,683,469	4,055,787,405
Deposits for future stock subscription from non-controlling interest		30,644,369	-
Payments of:			
Loans payable		(2,343,362,842)	(5,803,430,595)
Lease liabilities		(5,424,812)	(2,402,685)
Dividends		(90,476,981)	(90,465,705)
Finance costs		(417,275,866)	(328,774,702)
Advances from non-controlling interest		-	(46,800,000)
Net cash generated from (used in) financing activities		52,787,337	(2,216,086,282)
NET EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS			
		599,279	(472,085)
NET DECREASES IN CASH & CASH EQUIVALENTS		(228,403,289)	(1,984,421,602)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,381,114,743	4,045,963,662
CASH AND CASH EQUIVALENTS AT END OF PERIOD		₱1,152,711,454	₱2,061,542,060

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Corporate Information

Arthaland Corporation (the Parent Company or ALCO) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 10, 1994. ALCO's common shares and Series D and Series F Preferred shares are listed for trading in the Philippine Stock Exchange (PSE). The Parent Company is primarily engaged in real estate development and leasing.

The Parent Company is currently 37.94% owned by CPG Holdings, Inc. (CPG) and 26.02% owned by AO Capital Holdings 1, Inc. (AOCH1), both holding companies incorporated in the Philippines.

The registered office and principal place of business of the Parent Company is located at 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City (BGC), Taguig City.

Composition of the Group

The consolidated financial statements include the Parent Company and the following subsidiaries (collectively referred herein as "the Group"):

Subsidiary	Place of Incorporation	Effective Percentage of Ownership
Cazneau, Inc. (Cazneau)	Philippines	100%
Cebu Lavana Land Corp. (CLLC)	Philippines	100%
Manchesterland Properties, Inc. (MPI)	Philippines	100%
Urban Property Holdings, Inc. (UPHI)	Philippines	100%
Pradhana Land, Inc. (PLI)	Philippines	100%
Arthaland Property Prestige Solutions, Inc. (APPS)	Philippines	100%
Sotern Land Corporation (SLC)	Philippines	100%
Furusato Land Corporation (FLC)	Philippines	100%*
Bhavana Properties, Inc. (Bhavana)	Philippines	60%
Bhavya Properties, Inc. (Bhavya)	Philippines	60%
Kashtha Holdings, Inc. (KHI)	Philippines	60%
Zileya Land Development Corporation (ZLDC)	Philippines	60%
Savya Land Development Corporation (SLDC)	Philippines	59%**

* incorporated May 14, 2025

**indirectly owned through KHI

All subsidiaries were primarily organized to undertake real estate development or property leasing activities, except for APPS, a property management company, and KHI, an investment holding company.

FLC

FLC was incorporated on May 14, 2025. On May 19, 2025, ALCO subscribed to 50.0 million common shares at the subscription price of ₱1 per share and 4.5 million preferred shares at the subscription price of ₱100 per share, for a total consideration of ₱500.0 million.

ZLDC

In December 2025, ALCO sold, transferred and conveyed in favor of SEAI Metro Manila One, Inc. ("SEAIMMO"), by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of its common and preferred shares, as well as its shareholder advances. The transfer of shares decreased the effective ownership of ALCO from 100% to 60%.

ALCO's Acquisition of Preferred Shares

In January 2025, ALCO subscribed to 7.1 million Preferred Shares Series B of ZLDC at a subscription price of ₱100 per share, for a total consideration of ₱710.0 million.

In August 2025, ALCO's Board of Directors approved the following resolutions:

- Subscription to 7.5 million preferred shares of SLC at a subscription price of ₱100 per share equivalent to ₱750.0 million. As at December 31, 2025, ALCO has paid an aggregate amount of ₱642.0 million.
- Subscription to 5.0 million common shares of FLC at a subscription price of ₱100 per share, or for a total consideration of ₱500.0 million.

Major Projects

Arya Residences

Arya Residences, located in Bonifacio Global City (BGC), Taguig City, is ALCO's first major development project consisting of Towers 1 and 2, completed in 2016. It is the first high-end residential condominium in the Philippines to be awarded Leadership in Energy and Environmental Design™ (LEED) Gold by the U.S. Green Building Council (USGBC) and a Building for Ecologically Responsive Design Excellence (BERDE) 4-Star by the Philippine Green Building Council (PHILGBC) in 2016 and 2018, respectively. In 2020, the project achieved a 3-Star certification under PHILGBC's Advancing Net Zero/PH (ANZ/PH) program. In 2025, Arya Residences earned the Health-Safety Rating from the International WELL Building Institute (IWBI), reinforcing its commitment to occupant health, safety, and sustainability.

Arthaland Century Pacific Tower (ACPT)

ACPT, ALCO's flagship office development in BGC, Taguig City, is a 30-storey AAA-grade office building designed by Skidmore, Owings & Merrill (SOM), commenced construction in 2014 and was completed in 2019. ACPT is recognized as the world's first building to achieve Excellence in Design for Greater Efficiencies (EDGE) Zero Carbon certification from the International Finance Corporation (IFC), a member of the World Bank Group, in 2019. This distinction complements its earlier certifications, including LEED Platinum and BERDE 5-Star, both awarded in 2018. In 2020, the building was also certified Net Zero Energy under PHILGBC's ANZ/PH program and since 2021, received the Health-Safety Rating from IWBI. The property is likewise registered as a PEZA Ecozone Facilities Enterprise.

Cebu Exchange Tower (CebEx)

CebEx, a 38-storey office development by Cebu Lavana Land Corp., is located in Barangay Lahug, Cebu City. CebEx was launched in 2016 and completed in 2023, with a gross floor area of 108,564 square meters (sqm) including the four levels of retail. CebEx is the largest multi-certified green and healthy building in the Philippines, designed to deliver a world-class workplace environment: LEED Gold in 2022, EDGE Advanced in 2023, and BERDE 5-Star in 2023. In 2025, it achieved EDGE Zero Carbon certification, making it the world's largest single-tower project to receive such recognition. It also holds the WELL Health-Safety Rating since 2022.

Sevina Park Projects

Sevina Park is an eight-hectare integrated, master-planned community in Laguna developed by Cazneau, Inc., with development commencing in 2018. Sevina Park is the first project in the Philippines to achieve LEED Platinum certification under the LEED for Neighborhood Development (LEED ND) rating system in 2020 and is likewise a pioneering recipient of a BERDE 5-Star certification under the BERDE for Districts rating system in 2022. Sevina Park includes several developments:

Courtyard Hall, a campus-style residential development within Sevina Park with approximately 4,000 sqm of gross floor area (GFA) designed for students and faculty, was completed in 2019.

Sevina Park Villas, launched in June 2019, comprises 108 single-family homes catering to starter families, with phased completion from 2021 to 2026; all four-bedroom villas are undergoing LEED certification, with the model unit achieving LEED Platinum in 2020, while all villa types secured EDGE Advanced preliminary certification in 2025.

Una Apartments, another residential component within Sevina Park, was launched in September 2022, with Tower 1 designed for resource efficiency, improved indoor air quality, and wellness-focused amenities. Tower 1 targets LEED, BERDE, EDGE, and WELL certifications and is expected to be completed by the fourth quarter of 2026. Tower 2 was launched in 2023, while Tower 3 in 2025. Additional residential towers are planned for future developments within Sevina Park.

Savya Financial Center

Savya is a two-tower office development by Savya Land Development Corporation, located in Arca South, Taguig City, and launched in February 2019. Savya has a GFA of 59,763 sqm, with both the North and South Towers completed in 2023. Savya achieved multiple certifications, including BERDE 5-Star certification in 2026 and WiredScore Gold certification in 2024. It has also received LEED Gold precertification and WELL precertification in 2021, EDGE Advanced preliminary certification in 2024, and WELL Health-Safety Rating since 2024.

Eluria Residences

Eluria is a low-density, ultra-luxury residential development by Bhavya Properties, Inc., located in the Makati CBD on a 916-sqm property acquired in 2019. Eluria Residences features 37 designer residences with a GFA of approximately 14,600 sqm and is scheduled for completion in 2026. Eluria Residences received LEED Gold precertification in 2020 and is on track to achieve additional certifications under EDGE, WELL, and BERDE.

Lucima Residences

Lucima is a premier, multi-certified sustainable high-rise residential development by Bhavana Properties, Inc., launched in July 2021 and located in Cebu Business Park, at the corner of Samar Loop Road and Cardinal Rosales Avenue. Lucima is being developed on a 2,245-sqm site with approximately 28,000 sqm of GFA and 265 residential units. It received LEED Gold precertification in 2020 and is targeting BERDE, EDGE, and WELL certifications. Handover to buyers is expected to commence in the first quarter of 2027.

LIV North (formerly Project Teal)

LIV North is a planned two-tower high-rise residential condominium development by Sotern Land Corporation, located along Katipunan Avenue on an approximately 3,700-sqm property. LIV North, the first tower, was launched in August 2025 with completion targeted in 2031. It is designed as a sustainable residential community and aims to achieve LEED, EDGE, WELL, and BERDE certifications.

Sondris (formerly Project Rock)

Sondris is a planned high-rise luxury residential development by Zileya Land Development Corporation, following its acquisition of a 100% interest in a 2,018-sqm property along Antonio Arnaiz Avenue in the Makati CBD in June 2025. Sondris, launched in February 2026, is envisioned as a sustainable, multi-certified development targeting LEED, BERDE, EDGE, and WELL certifications.

Project Vanilla

Project Vanilla is mixed-use, master planned development by ALCO through its wholly owned subsidiary, Furusato Land Corporation, involving fourteen parcels of land with a total aggregate area of approximately 5 hectares, all located in Banilad Road, Cebu City. Furusato holds 50% interest in Project Vanilla, while the remaining interest is held by its co-buyers, consistent with the acquisition structure designed for both parties to have equal ownership upon completion of the master planning and site development works. The acquisition of Project Vanilla is expected to be completed in phases from 2025 to 2028 to manage funding requirements.

Project Vanilla is envisioned as a sustainable community targeting LEED certification and will comprise multiple mixed-use towers. Six residential condominium towers within Project Vanilla are planned to be developed by Furusato Land Corporation and are expected to be launched in phases from 2026 to 2037, with corresponding phased completions beginning in 2031. Project Vanilla shall provide a steady pipeline of projects that are expected to contribute to ALCO's revenues over the long term.

Project Olive

Project Olive is a planned boutique, master-planned mixed-use development by ALCO through Pradhana Land Inc., involving the phased acquisition of approximately 3.6 hectares of land located at the entry of a prime CBD in Metro Manila, with an estimated net developable area of 2.6 hectares after road allocations. Project Olive is expected to benefit from major upcoming infrastructure developments. Project Olive is intended to be developed as a sustainable community targeting LEED certification and is expected to feature approximately twelve residential towers catering to both upscale and midscale markets, supported by retail and commercial components.

Approval of the Interim Consolidated Financial Statements

The interim consolidated financial statements of the Group as at and for the three (3) months ended March 31, 2026 were approved and authorized for issue by the Board of Directors (BOD) on May 6, 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim consolidated financial statements as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025 have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. They do not include all of the information and disclosures required in the annual audited consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2025.

Measurement Bases

The interim consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The interim consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and investment properties, which are carried at fair value, net retirement liability which is carried at the present value of the defined benefit obligation less the fair value of plan assets, and lease liabilities which are initially carried at the present value of future lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring liability.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards which the Group adopted effective for annual periods beginning on or after January 1, 2025. The amendments did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

New and Amended PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amended PFRS Accounting Standards, which are not yet effective as at March 31, 2026 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

The Group is currently assessing the potential impact of adopting PFRS 18. The adoption of PFRS 18 is not

expected to have a material impact on the Group's consolidated financial position or consolidated financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the consolidated statements of comprehensive income and related disclosures.

Basis of Consolidation

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control and continue to be consolidated until the date such control ceases. The results of operations of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. If the Group retains interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of influence retained.

Non-controlling interest represents the portion of profit or loss and net assets not held by the Parent Company and is presented separately in the Group's consolidated statements of comprehensive income and within equity in the Group's consolidated statements of financial position, separate from equity attributable to equity holders of the Parent Company, respectively.

Financial Assets at Amortized Cost

The Group's financial assets at amortized cost include cash and cash equivalents, receivables (excluding accrued rent receivable), deposits, amounts held in escrow, and amounts held in trust. These financial assets are initially recognized at fair value plus directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses (ECL).

The Group recognizes expected credit losses on financial assets measured at amortized cost in accordance with Philippine Financial Reporting Standards (PFRS) 9, Financial Instruments. Depending on the nature of the financial asset, the Group applies either the simplified approach or the general approach in measuring ECL.

Trade receivables are assessed using the simplified approach. Under this approach, the Group recognizes lifetime ECL from the point of initial recognition, without assessing whether there has been a significant increase in credit risk.

Other financial assets, such as cash and cash equivalents, other receivables, deposits, and amounts held in escrow or in trust, are evaluated under the general approach. These financial assets are initially classified as Stage 1, for which a 12-month ECL is recognized. If there is a significant increase in credit risk since initial recognition, the financial assets are transferred to a higher stage and lifetime ECL is recognized.

In assessing ECL, the Group takes into account its historical credit loss experience, current observable data, and reasonable and supportable forward-looking information. This forward-looking information includes relevant macroeconomic indicators as well as counterparty-specific credit risk information.

Financial assets are derecognized when the contractual rights to receive cash flows have expired, or when the Group has transferred substantially all the risks and rewards of ownership.

Financial Assets at FVPL

The Group's investments in unit investment trust funds (UITF) are classified as financial assets at FVPL. These financial assets are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset have expired or when the Group has transferred substantially all the risks and rewards of ownership of the financial asset.

Financial Liabilities at Amortized Cost

The Group's accounts and other payables (excluding statutory payables, deferred output VAT, advances from buyers and advance rent) loans payable, bonds payable, and advances from non-controlling interests are classified as financial liabilities at amortized cost. The Group recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Creditable Withholding Taxes (CWT)

CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes. These are carried at cost less any impairment in value.

Value-Added Tax (VAT)

Revenue, expenses and assets are generally recognized net of the amount of VAT except in cases where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the tax authority is included as part of "Other assets" or "Accounts and other payables" accounts, respectively, in the consolidated statements of financial position.

Contract Balance

Contract Assets. A contract asset represents the Group's right to a consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than a passage of time. Contract assets arise when revenue is recognized before the Group obtains an unconditional right to consideration. When the Group's right to consideration becomes unconditional, the contract asset is reclassified to trade receivables. Contract assets primarily relate to unbilled amounts arising from real estate sales recognized over time using percentage of completion (POC) method. Contract assets are assessed for impairment using the simplified ECL approach under PFRS 9, with lifetime ECL recognized from initial recognition.

Contract Liabilities. Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or for which consideration is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is received or when the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Group satisfies its performance obligations under the contract.

Real Estate for Sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as inventory and is measured at the lower of cost and net

realizable value (NRV).

Cost includes acquisition cost plus any other directly attributable costs of developing the asset to its saleable condition and location. Directly attributable costs include amounts paid to contractors, planning and designing costs, costs of site preparation and construction overheads.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs to complete and the estimated costs to sell. NRV is determined with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

The Group uses fair value model for the accounting of its investment properties. Under this method, investment properties are initially measured at cost but are subsequently remeasured at fair value at each reporting date, which reflects market conditions at the reporting date. The fair value of investment properties is determined using market approach and cost approach by an independent real estate appraiser. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these consolidated financial statements, in order to avoid double counting, the fair value reported in the consolidated financial statements is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and minimum lease payments.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For transfers from real estate for sale to investment property, the property is measured at its fair value at the date of change in use. Any difference between the fair value and the property's previous carrying amount as real estate for sale is recognized in profit or loss.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sell. For transfers from investment property carried at fair value to real estate for sale, the fair value of the investment property at the date of change in use is treated as its deemed cost for subsequent accounting as real estate for sale in accordance with PAS 2, Inventories.

Investment properties are derecognized when either those have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of comprehensive income in the year of retirement or disposal.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment losses.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Building and building improvements	50
Transportation equipment	3 to 5
Office equipment	3 to 5
Furniture and fixtures	3
Leasehold improvements	3 to 5 or lease term, whichever is shorter
ROU asset	3 to 5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully-depreciated assets are retained in the account until they are no longer in use and no further change for depreciation is made in respect to those assets.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Other Assets

Advances for Project Development and Land Acquisition. Advances for project development and land acquisition are recognized whenever the Group pays in advance for its purchase of land, goods or services. These are measured at transaction price less impairment in value, if any.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Prepaid Commission. The Group recognizes an asset for the incremental cost of obtaining a contract with a customer if the Group expects to recover those costs. Otherwise, those costs are recognized as expense when incurred. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract such as, but not limited to, sales commissions paid to sales agents and non-refundable direct taxes incurred in obtaining a contract. Paid sales commissions are recognized as "Prepaid commission" under "Other assets" account and amortized consistent with the revenue recognition method of the Group. Amortization of sales commission is presented as part of "Operating expenses".

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods and deferred input VAT for unbilled purchases.

In accordance with Revenue Memorandum Circular (RMC) No. 21-2022, the amortization of the input VAT shall only be allowed until December 31, 2021, after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized.

Software and Licenses. Software and licenses are stated at cost less accumulated amortization and any impairment losses. Software and licenses are being amortized on a straight-line basis over ten (10) years and amortization is recognized in profit or loss. Amortization period and amortization method is reviewed at each reporting date. Any change in the useful life of the asset or the expected pattern of consumption of the future economic benefits embodied in the asset is recognized prospectively.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is any indication that a nonfinancial asset may be impaired. When such indicators exist, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its value in use and fair value less costs of disposal. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognized in profit or loss. For assets that do not generate independent cash flows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

Impairment losses are recognized in profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. The

reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

Debt Issue Costs

Debt issue costs that are directly attributable to the acquisition of borrowings are deducted from the carrying amount of the related financial liability at initial recognition. These costs are amortized over the term of the borrowings using the effective interest rate method and are recognized as part of interest expense in profit or loss. When the related borrowing is extinguished, any unamortized debt issue costs are recognized immediately in profit or loss.

Advances from Buyers

Advances from buyers represent payments received from prospective buyers prior to the execution of a contract to sell. These amounts are initially recognized as liabilities and are included under accounts and other payables account in the consolidated statements of financial position. Upon execution of the contract to sell, these advances are reclassified to contract liabilities and are subsequently applied against the total contract price of the real estate sale.

Capital Stock

Common Stock. Common stock is measured at par value for all shares issued.

Preferred Stock. The Group's preferred stocks is cumulative, nonvoting, nonparticipating and nonconvertible. Preferred stock is classified as equity if this is nonredeemable, or redeemable only at the Group's option, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred stock is classified as a liability if this is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as incurred.

Additional Paid-in Capital

Additional paid-in capital is the proceeds and/or fair value of considerations received in excess of par value of the subscribed capital stock. Incremental costs incurred directly attributable to the issuance of new shares are recognized as deduction from equity, net of any tax. Otherwise, these are recognized as expense in profit or loss.

Treasury Stock

Treasury shares represent the Parent Company's own equity instruments that have been reacquired and are recognized as a deduction from equity. Treasury shares are measured at cost and presented as a deduction within equity in the consolidated statements of financial position.

No gain or loss is recognized in profit or loss on the purchase, sale, issuance, or cancellation of the Parent Company's own equity instruments. Any difference between the consideration received and the carrying amount of treasury shares is recognized directly in equity.

Parent Company's Shares Held by a Subsidiary

Shares of the Parent Company held by a subsidiary are carried at cost and are deducted from equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration and prior period adjustments.

Other Equity Reserves

Other equity reserves comprise of items of income and expense that are not recognized in profit or loss for the year. This includes other comprehensive income (OCI) that pertains to cumulative remeasurement gains (losses) on net retirement asset (liability).

Non-controlling Interests

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. These are within equity presented in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of income and consolidated statements of comprehensive income. Non-controlling interests consist of the amount of those interests at the date of original business combination and the non-controlling interests' share on changes in equity since the date of the business combination.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to common equity holders of the Parent Company by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effects of any potentially dilutive convertible securities.

Revenue Recognition

The following specific recognition criteria must also be met before revenue is recognized.

Revenue from Contract with Customers. Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer in an amount that reflects the consideration to which the Group expected to be entitled in exchange for those goods and services.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Revenue from Real Estate Sales. Revenue from real estate sales is recognized when control of the asset is transferred to the customer, either overtime or at a point in time, depending on the terms of the contract and the nature of the Group's performance obligations.

For real estate sales under pre-completion contracts, the Group recognizes revenue over time as the performance obligation is satisfied, provided that all of the following criteria are met: (a) the contract to sell (CTS) is valid and enforceable; (b) the Group's performance does not create an asset with an alternative use to the Group; and (c) the Group has an enforceable right to payment for performance completed to date.

The Group assesses the collectability of consideration based on the customer's ability and intention to pay.

For contracts that qualify for over-time recognition, revenue is measured based on the stage of completion using the input method, determined as the proportion of costs incurred to date relative to the total estimated costs of the project.

For completed real estate units, revenue is recognized at a point in time when control of the asset is transferred to the customer, generally upon turnover of the unit and when the significant risks and rewards of ownership have been transferred.

When a contract contains a significant financing component, the transaction price is adjusted to reflect the time value of money. The resulting interest income or expense is recognized separately in profit or loss.

In the event of contract cancellation due to buyer default, the Group derecognizes the related contract asset and receivable balances and recognizes the repossessed property at its fair value less costs to repossess, with any resulting gain or loss recognized in profit or loss.

Accordingly, the consideration is not adjusted for the effects of the time value of money.

For tax purposes, full recognition is applied when more than 25% of the selling price has been collected in the year of sale. Otherwise, the installment method is applied.

Leasing Revenue. Leasing revenue consists of rental income and common use service area (CUSA) fees. Rental income from operating leases of investment properties is recognized on a straight-line basis over the lease term, except for variable lease payments, which are recognized in the period in which they are earned. Lease incentives granted to tenants are recognized as a reduction of rental income on a straight-line basis over the lease term. The lease term comprises the non-cancellable period of the lease together with periods covered by an option to extend the lease, when the lessee is reasonably certain to exercise that option at lease commencement.

CUSA fees are recognized as revenue over time as the related services are rendered. These are typically billed monthly and are based on the lessee's proportionate share of common area costs.

Amounts received from tenants for lease termination or as compensation for dilapidation are recognized in profit or loss when the Group's right to receive payment is established.

Property Management Fees. Revenue is recognized in profit or loss when the related services are rendered.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expenses Recognition

Cost of Real Estate Sales. Cost of real estate sales is recognized consistent with the revenue recognition method applied.

Cost of Leasing Operations. Cost of leasing operations, which constitute direct cost incurred in relation to the leasing of properties of the Group is recognized as expense when incurred.

Cost of Services. Cost of services, which constitute direct cost incurred in relation to APPS's provision of property management services, is recognized as expense when services are rendered.

Operating Expenses. Operating expenses constitute cost of administering the business and cost incurred to sell and market its products and services. These are recognized as incurred.

Finance Costs. Finance costs are recognized in profit or loss using the effective interest method.

Share-based Compensation

The Parent Company has a stock option plan covering employees, officers and directors, whereby employees render services for shares or rights over shares (“equity-settled transaction”). The rights granted under the plan are not assignable and non-transferable. The cost of the equity-settled transactions is measured by reference to the fair value of the stock options on the date that it was granted. Stock options reserve presented as part of “Equity” is measured at fair value of the share options as at reporting date when the options are exercised, forfeited or lapsed.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group also assesses whether a contract contains a lease for each potential separate lease component.

The Group as a Lessor. Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

The Group as Lessee. At the commencement date, the Group recognizes a right-of-use (ROU) asset and a lease liability for all lease commitments, except for short-term leases (with a lease term of 12 months or less) and leases of low-value assets. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ROU Assets. At commencement date, the Group measures the ROU assets at cost. The cost comprises of amount of the initial measurement of lease liabilities and any initial direct costs incurred by the Group.

ROU assets are recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and adjusted for any remeasurement of the related lease liabilities. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise of fixed payments, including in-substance fixed payments, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date and amounts expected to be payable under a residual value guarantee.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Group has a funded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs and net interest expense or income in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs.

Remeasurements pertaining to actuarial gains and losses and return on plan assets are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the retirement liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets against which the obligations are to be settled directly, adjusted for any effect of asset ceiling. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. The asset ceiling is the present value of future economic benefits available in the form of refunds from the plan or reductions in future contribution to the plan.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted, that is, when the investment property is depreciable and is held within the business model whose objective is consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax relating to items recognized outside profit or loss is recognized under OCI and outside profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Related Party Transactions

Related party transactions are transfer of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the investee that gives them significant influence over the investee and close members of the family of any such individual; (d) the Group's funded retirement plan; and (e) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment reporting a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 29.

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation, and the

amount can be reliably estimated. Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated statements of financial position when an inflow of economic benefits is probable.

Events After the Reporting Period

Any post-year-end event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of asset, liabilities, income and expenses. The accounting estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgments

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

Classifying Financial Instruments. The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Group's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Determining Control or Joint Control over an Investee Company. Control is presumed to exist when an investor has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group has determined that by virtue of the Parent Company's majority ownership of voting rights in its subsidiaries as at March 31, 2026, and December 31, 2025, it has the ability to exercise control over these investees.

Determining Revenue Recognition Method and Measure of Progress. The Group recognizes revenue from the sale of real estate units over time as the performance obligation is satisfied. In applying PFRS 15, Revenue from Contracts with Customers, management exercises judgment in determining that the criteria for over-time revenue recognition are met. Management concluded that the Group's performance does not create an asset with an alternative use to the Group because the real estate unit promised in the contract is specifically identified and the Group is contractually restricted from redirecting the unit to another customer without breaching the contract. Management also determined that the Group has an enforceable right to payment for performance completed to date, including a

reasonable margin, in the event the contract is terminated by the customer other than for the Group's failure to perform.

In addition, management exercises judgment in determining that the input method based on costs incurred relative to total estimated project costs appropriately measures the Group's progress in satisfying the performance obligation because construction costs incurred are considered to be proportionate to the Group's efforts in transferring control of the real estate unit to the customer.

The amount of revenue from real estate sales recognized based on POC for the three months ended March 31, 2026 and 2025 are disclosed in Note 17. The related cost of real estate sales for the period ending March 31, 2026 and 2025 are disclosed in Note 18.

Assessing Significant Financing Component on Real Estate Sales. The Group evaluates whether contracts with customers contain a significant financing component. A significant financing component exists when the agreed timing of payments provides a significant benefit to either party. In assessing the existence of significant financing component, the Group considers the following factors:

- The length of time between the transfer of the real estate property and the payments.
- Whether the consideration amount would differ significantly at the time of transfer.
- The interest rate in the prevailing market.

The amount of interest from real estate sales for the three months ended March 31, 2026 and 2025 is disclosed in Note 17.

Classifying Real Estate for Sale, Investment Properties and Property and Equipment. The Group exercises judgment in determining whether a property should be classified as real estate for sale (inventory), investment properties, or property and equipment.

Real estate for sale represents properties held for sale in the ordinary course of business, including land and properties acquired or developed for the purpose of sale to customers.

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Properties that are used for administrative purposes or in the Group's operations and are not intended for sale in the ordinary course of business, are classified as property and equipment and accounted for in accordance with PAS 16, Property, Plant and Equipment.

In making this judgment, management considers several factors including:

- The purpose for which the property was acquired;
- The Group's business model and development plan;
- The expected manner of realization of economic benefit; and
- The historical pattern of sales of similar properties.

Changes in management's intention regarding the use of a property may result in a reclassification between real estate for sale, investment properties, and property and equipment. Any changes in management's intention and the related reclassifications are disclosed accordingly.

The carrying amounts of real estate for sale, investment properties and property and equipment as at March 31, 2026 and December 31, 2025 are disclosed in Notes 8, 9 and 10, respectively.

Determining Highest and Best Use of Investment Properties. The Group determines the highest and best use of its investment properties when measuring fair value. In making its judgment, the Group takes into account the use of the investment properties that is physically possible, legally permissible and financially feasible. The Group has determined that the highest and best use of the investment properties is their current use.

The carrying amounts of investment properties as at March 31, 2026 and December 31, 2025 are disclosed in Note 9.

Determining Lease Commitments - Group as Lessor. The Group entered into various lease contracts for its office units in ACPT, retail units in Arya Residences, office units in Savya Financial Center, commercial and office units in Cebu Exchange, and dormitory units in Sevina Park's Courtyard Hall. The Group has determined that the risks and benefits of ownership related to the leased properties are retained by the Group. Accordingly, the leases are accounted for as operating leases.

The amount of revenue from leasing operations recognized from these operating leases for the three months ended March 31, 2026 and 2025 are disclosed in Note 17.

Classifying Lease Commitments - Group as a Lessee. The Group has entered into lease agreements as a lessee. For these leases, the Group availed of the exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on short-term leases were recognized as expense on a straight-line basis over the lease term. Rent expense on short-term leases on land and building with less than 12 months term are disclosed in Note 19.

Additionally, the Group entered into non-cancellable lease agreements for transportation equipment for a period of three (3) to five (5) years. Accordingly, ROU asset and lease liability have been recognized. The carrying amounts of ROU asset and lease liability are disclosed in Notes 10 and 12, respectively.

Accounting Estimates and Assumptions

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

Recognizing Revenue and Measuring Progress. The Company recognizes revenue from real estate sales over time using the cost-to-cost input method. The measure of progress is based on costs incurred relative to total estimated construction costs.

Significant estimation is required in determining the total estimated construction costs of each real estate development project. These estimates include costs relating to land development, construction materials, labor, professional fees, permits, and other project-related costs.

The estimated construction costs are reviewed periodically and updated to reflect changes in project scope, construction progress, market conditions, and other relevant factors. Changes in estimated total construction costs may result in adjustments to the POC and revenue recognized.

Estimating Project Costs and Contract Profitability. The Company also exercises judgment in estimating the expected profitability of development projects. When it becomes probable that total project costs will exceed total contract revenues, the expected loss is recognized immediately.

Revisions to project cost estimates and contract profitability may arise from:

- Changes in construction costs;
- Variations in project specifications;
- Changes in regulatory requirements; and
- Other factors affecting the development process.

Any changes in estimates are recognized prospectively in the period in which the changes are identified.

In 2025, the management increased its estimated of the total project development costs of Bhavana's Lucima project resulting in additional cost of real estate sales of ₱438.4 million. The impact of such

change in estimate was recognized prospectively in accordance with PFRS 15, *Revenue from Contracts with Customers*.

The amount of revenue from real estate sales recognized based on POC and the related cost of real estate sales incurred for the three months ended March 31, 2026 and 2025 are disclosed in Notes 17 and 18, respectively.

Assessing Significant Financing Component on Real Estate Sales. A significant financing component exists when the agreed timing of payments provides a significant benefit to either party. In assessing the existence of significant financing component, the Group considers the following factors:

- The length of time between the transfer of the real estate property and the payments.
- Whether the consideration amount would differ significantly at the time of transfer.
- The interest rate in the prevailing market.

Following the adoption of PIC Q&A No. 2018-12, the Group recognized significant financing component in its revenue. The amount of interest from real estate sale in the 1st quarter of 2026 is disclosed in Note 17.

Estimating Fair Value of Investment Properties. Investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The Group estimates expected future cash flows, yields, occupancy rates and discount rates. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 9.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

The carrying amounts of investment properties as at March 31, 2026 and December 31, 2025 are disclosed in Note 9.

Determining NRV of Real Estate for Sale. Real estate for sale is stated at lower of cost or NRV. NRV for completed real estate for sale is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate assets under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less estimated costs to sell. The determination of NRV requires significant estimation, particularly with respect to future selling prices and remaining development costs, which are influenced by market demand, construction cost trends, and other economic factors. Changes in these assumptions may result in adjustments to the carrying amount of real estate for sale in future periods. No provision for inventory obsolescence was recognized for the three months ended March 31, 2026 and 2025. The carrying amounts of real estate for sale as at March 31, 2026 and December 31, 2025 are disclosed in Note 8.

Assessing the ECL on Trade Receivables and Contract Assets. The Group assessed the ECL on trade receivables and contract assets and concluded that the resulting impairment is not material, taking into account historical collection experience and the underlying collateral provided by the related real estate units. No provision for ECL was recognized for the three months ended March 31, 2026 and 2025. The carrying amounts of the Group's trade receivables and contract assets as at March 31, 2026 and December 31, 2025 are disclosed in Notes 6 and 7, respectively.

Assessing ECL on Other Financial Assets at Amortized Cost. The Group assesses ECL on other financial assets at amortized cost using the general impairment model under PFRS 9. In estimating ECL, management considers the probability of default and potential loss given default over the expected life of the financial assets.

The Group's exposure to credit risk primarily relates to cash and cash equivalents deposited with banks, nontrade and other receivables, refundable deposits and due from related parties. Cash deposits are placed with reputable financial institutions with high credit ratings and are therefore considered to have low credit risk. For nontrade and other receivables, refundable deposits and due from related parties, credit risk is also considered low as the Group transacts with related parties and reputable counterparties with strong capacity to meet their contractual cash flow obligations in the near term.

The Group considers financial assets that are more than 30 days past due as having experienced a significant increase in credit risk, unless there is reasonable evidence that the delay in payment does not indicate increased credit risk.

Based on this assessment, no provision for ECL on these financial assets was recognized for the period ending March 31, 2026 and 2025.

Estimating the Useful Lives of Property and Equipment and Software and Licenses. The Group reviews annually the estimated useful lives of property and equipment and software and licenses based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property and equipment and software and licenses.

There were no changes in the estimated useful lives of property and equipment and software and licenses for the three months ended March 31, 2026 and 2025.

The carrying amounts of property and equipment and software and licenses as at March 31, 2026 and December 31, 2025 are disclosed in Note 10 and 11, respectively.

Assessing Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In making this assessment, management considers both external and internal sources of information, including changes in market conditions, asset performance, and physical condition.

Based on management's assessment, no impairment loss on nonfinancial assets was recognized for the three months ended March 31, 2026 and 2025.

Estimating Retirement Liability. The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 22 and include among others, discount rate and salary increase rate. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect net retirement liability.

The carrying amounts of net retirement liability as at March 31, 2026 and December 31, 2025 are disclosed in Note 22.

Assessing the Realizability of Deferred Tax Assets. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO is based on the projected taxable income in the following periods.

Based on the projection, not all future deductible temporary differences will be realized, therefore, certain portion of deferred tax assets was not recognized.

As at March 31, 2026 and December 31, 2025, the carrying amounts of deferred tax assets are disclosed in Note 23.

4. CASH AND CASH EQUIVALENTS

This account consists of:

	March 2026	December 2025
Cash on hand	₱226,530	₱225,860
Cash in banks	863,427,763	994,966,262
Cash equivalents	289,057,161	385,922,621
	₱1,152,711,454	₱1,381,114,743

Cash in banks earns interest at prevailing bank deposit rates and are immediately available for use in the current operations. Cash equivalents are made up of short-term investments for varying periods up to three (3) months or less and earn interest at the respective prevailing short-term investment rates.

5. FINANCIAL ASSETS AT FVPL

Financial assets at FVPL amounting to ₱325.5 million and ₱271.3 million as at March 31, 2026 and December 31, 2025, respectively, represent units of participation in money market fund.

Financial assets at FVPL include unrealized gain (loss) amounting to ₱1.4 million and (₱7.7 million) for the three months ended March 31, 2026 and 2025, respectively, and included as part of "Other income" account in the interim consolidated statements of comprehensive income. Realized gain on disposals of financial assets at FVPL amounted to ₱7.7 million and ₱46.9 million for the three months ended March 31, 2026 and 2025, respectively (see Note 21).

The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices.

6. RECEIVABLES

This account consists of:

	March 2026	December 2025
Trade receivables from:		
Sale of real estate	₱1,765,770,597	₱2,426,309,549
Leasing	60,278,707	100,615,456
Receivable from sale of interest in subsidiary	204,831,916	724,831,916
Advances to employees	30,327,138	19,101,526
Other receivables	156,198,355	146,065,912
	2,217,406,713	3,416,924,359
Allowance for ECL	(1,746,790)	(1,746,790)
	₱2,215,659,923	₱3,415,177,569

The aging analysis of receivables is shown below:

	Neither Past Due nor Impaired	Past Due But Not Impaired			Past due and impaired	TOTAL
		Within 6 months	7 months to 1 year	More than 1 year		
Receivables	₱1,753,664,101	75,581,895	42,901,644	341,765,493	1,746,790	₱2,215,659,923

Trade receivables from sale of real estate relate to sale of condominium units, retail units, lots and residential townhouses that were already billed and which are generally collectible in monthly installments over a maximum period of three (3) years. Titles to the units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Trade receivables from leasing operations are non-interest bearing, unsecured and collectible within seven (7) days.

Advances to employees represent salary and other loans granted to employees which are non-interest bearing in nature and collectible through salary deductions.

Other receivables mainly include accrued rent receivables, interest receivables, other charges, and advances which are non-interest bearing and collectible on demand.

Provision for ECL amounting to ₱1.7 million was recognized in 2022 and recorded as part of "Others" under "Operating expenses" in the consolidated statements of comprehensive income.

7. CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group's contract assets and contract liabilities are as follows:

	March 2026	December 2025
Contract assets	₱9,527,678,626	₱8,891,243,368
Contract liabilities	616,064,789	595,701,610
Net contract assets	₱8,911,613,837	₱8,295,541,758

Contract assets pertain to receivables from the sale of condominium and office units and residential townhouses of the Group representing the excess of cumulative revenues from real estate sales over billed amounts. These amounts will be billed and collected in accordance with the agreed payment terms with the buyers, which is normally up to a maximum of three (3) years.

Contract liabilities pertain to downpayments received from the real estate buyers at the inception of the contracts in which the related revenue is not yet recognized as at March 31, 2026 and December 31, 2025.

8. REAL ESTATE FOR SALE

This account consists of:

	March 2026	December 2025
Land and assets under construction	₱8,988,306,023	₱11,743,425,793
Office units for sale	3,850,019,106	1,363,380,310
	₱12,838,325,129	₱13,106,806,103

Land and Assets under Construction

These consist of land and development costs of ongoing real estate projects of the Group. As at March 31, 2026, this account includes the land and development costs of Sevina Park, Una Apartments, Lucima, Eluria, Liv North, and other land acquisitions of the Group (see Note 1).

The land of Lucima Residences with carrying amount of ₱794.5 million is used as security for the bank loan of Bhavana with outstanding balance of ₱438.0 million and ₱627.5 million as at March 31, 2026 and December 31, 2025, respectively.

The land of Eluria with carrying amount of ₱780.4 million is used as security for the bank loan of Bhavya with outstanding balance of ₱776.7 million and ₱811.2 million as at March 31, 2026 and December 31, 2025, respectively.

The land of Sevina Park with carrying amount of ₱658.8 million used as security for the bank loan of Cazneau with outstanding balance of ₱99.0 million and ₱262.3 million as at March 31, 2026 and December 31, 2025, respectively.

The land of Sondris with carrying amount of ₱1,810.9 million is used as security for the bank loan of Zileya with outstanding balance of ₱1,165.8 million and ₱1,113.1 million as at March 31, 2026 and December 31, 2025, respectively.

In 2025, SLDC transferred certain parking slots to “Investment properties” account from “Real estate for sale” account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 9).

Office Units for Sale

The carrying amount of these assets were transferred from the cost of Land and Assets under construction to Office units for sale following the completion of the projects.

On March 30, 2026, CLLC reclassified properties from “Real Estate for Sale” to “Investment Properties” with a carrying amount of ₱322.5 million. The reclassification was made following a change in use of the properties, as evidenced by approval from the Board of Directors (see Note 9).

Repossessions arising from cancellation of sales due to buyer’s default in payments represent previously sold units which were recorded back as “Real estate for sale”. These are recorded at fair value less cost to repossess and are held for sale in the ordinary course of business. Gain on repossession amounted to ₱20.3 million and ₱2.2 million in March 31, 2026 and 2025, respectively, recorded under “Other Income - net” account in the interim consolidated statements of comprehensive income (see Note 21).

NRV of Real Estate for Sale

Real estate for sale is stated at cost which is lower than its NRV and there is no allowance for inventory obsolescence as at March 31, 2026 and December 31, 2025.

9. INVESTMENT PROPERTIES

This account consists of:

	March 2026	December 2025
ACPT	₱8,054,236,037	₱8,052,704,020
Cebu Exchange	4,727,020,420	3,661,000,000
Arya Residences:		
Retail units	1,464,000,000	1,464,000,000
Parking slots	203,000,000	203,000,000
Land:		
UPHI’s Laguna and Tagaytay properties	1,393,428,475	1,393,428,475
ALCO’s Batangas and Tagaytay properties	389,231,010	389,231,010
Savya Financial Center	878,000,000	878,000,000
Courtyard Hall	527,926,000	527,926,000
	₱17,636,841,942	₱16,569,289,505

ACPT

Carrying amount of ACPT includes office units and parking slots for lease. The bank loan for which ACPT was used as collateral was fully paid in July 2025.

Cebu Exchange

On March 30, 2026, CLLC reclassified certain properties from “Real Estate for Sale” to “Investment Properties” following a change in use approved by the Board of Directors. At the date of transfer, the properties had a carrying amount of ₱322.5 million (see Note 8).

These transfers were made as a result of changes in the use of properties as approved by the BOD (see Note 8).

The carrying amount of Cebu Exchange includes office and retail units and parking slots for lease.

Cebu Exchange office units and parking spaces are used as collateral for loans payable amounting to ₱1,590.3 million and ₱1,593.7 million as at March 31, 2026 and December 31, 2025, respectively (see Note 13).

Arya Residences

Retail units and parking slots in Arya Residences are used for leasing operations.

Land

UPHI's raw land, with fair value amounting to ₱1,393.4 million as at March 31, 2026 and December 31, 2025, has a total area of 33 hectares and are located at Barangay Gonzalo Bontog, Calamba City and Barangay Calabuso, Tagaytay City Part of UPHI's land was expropriated by NAPOCOR, leading to court proceedings. While others appealed for the compensation amount, UPHI plans to settle with the NTC (NAPOCOR's successor) since it can no longer use the property. Management believes this settlement won't significantly impact on the consolidated financial statements but could help recover the property's cost.

Moreover, UPHI filed a complaint for quieting of title on October 18, 2010, due to incorrect tax declarations by the City of Tagaytay for its Calamba City property. The trial court ruled in UPHI's favor in June 2020. The defendants appealed to the CA, but on July 31, 2023, the CA upheld the trial court's decision. Their Motions for Reconsideration were also denied on February 15, 2024. Both filed petitions for review under Rule 45 of the Rules of Court before the Supreme Court in April 2024 while UPHI submitted its Comment/Opposition to the same in October 2024.

The Supreme Court rendered its Decision on August 11, 2025 denying the consolidated petitions and affirmed the Order of the trial court dated July 31, 2023 and the Resolution of the CA dated February 15, 2024. The City of Tagaytay and one of the individual defendants filed their Motions for Reconsideration on March 7, 2026 and March 24, 2026, respectively.

ALCO's Batangas and Tagaytay properties have a total area of 10.3 hectares.

Savya Financial Center

The carrying amount of Savya Financial Center includes office units and parking slots for lease.

In 2025, SLDC transferred certain parking slots to "Investment properties" account from "Real estate for sale" account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 9).

Courtyard Hall

Courtyard Hall of Cazneau used for leasing operations were recognized at fair value amounting to ₱527.9 million as at March 31, 2026 and December 31, 2025. The land attributable to Cazneau's retail spaces and Courtyard Hall with carrying amount of ₱393.5 million as at March 31, 2026 and December 31, 2025, was used as part of the collaterals for a long-term facility of Cazneau with an outstanding balance of ₱99.0 million and ₱262.3 million as at March 31, 2026 and December 31, 2025, respectively.

Fair Value Measurement

Details of the valuation techniques used in measuring fair values of investment properties, as appraised by a SEC-accredited and independent appraiser (Asian Appraisal) in its report as at March 31, 2026, are classified under Levels 2 and 3 of the fair value hierarchy as follows:

Class of Property	Valuation Technique	Significant Inputs	March 2026	December 2025
ACPT	Discounted cash flow approach (DCF)	Rental rate for an office unit per square meter (sqm)	₱1,850	₱1,850
		Rental rate per parking slot	₱9,500	₱9,500
		Discount rate	8.63%	8.63%
		Vacancy rate	Not material / negligible	Not material / negligible
		Calculated no. of net leasable area (total sqm)	18,059	18,059
		Income tax rate	25%	25%
Cebu Exchange: Retail units	Discounted cash flow approach	Rental rate per square meter (sqm)	₱1,470	₱1,470
		Rent escalation rate per annum (p.a.)	5%	5%
		Discount rate	8.57%	8.63%
		Vacancy rate	25%	25%
		Income tax rate	25%	25%
Office units	Discounted cash flow approach	Rental rate per sqm	₱940	₱940
		Rent escalation rate p.a.	5%	5%
		Discount rate	8.57%	8.63%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Parking slots	Discounted cash flow approach	Rental rate per slot	₱5,812	₱5,812
		Rent escalation rate p.a.	5%	5%
		Discount rate	8.57%	8.63%
		Vacancy rate	40%	40%
		Income tax rate	25%	25%
Arya Residences:				
Retail units	Discounted cash flow approach	Rental rate per sqm	₱3,300	₱3,300
		Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	8.63%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
Parking slots	Discounted cash flow approach	Rental rate per slot	₱8,500	₱8,500
		Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	8.63%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
Land:				
UPHI's Laguna and Tagaytay properties	Market data approach	Price per sqm	₱4,200	₱4,200
		Value adjustments	-15% to 10%	-15% to 10%
Cazneau's Laguna Properties	Market data approach	Price per sqm	₱102,000	₱102,000
		Value adjustments	-15% to -10%	-15% to -10%
ALCO's Batangas and Tagaytay properties	Market data approach	Price per sqm	₱3,600 – ₱3,800	₱3,600 – ₱3,800
		Value adjustments	-25% to 45%	-25% to 45%
Savya Financial Center Retail units	DCF approach	Rental rate per sqm	₱800	₱800
		Rent escalation rate p.a.	0% - 6%	0% - 6%
		Discount rate	8.63%	8.63%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Parking slots	DCF approach	Rental rate per sqm	₱5,200	₱5,200

Class of Property	Valuation Technique	Significant Inputs	March 2026	December 2025
		Rent escalation rate p.a.	0% - 5%	0% - 5%
		Discount rate	8.63%	8.63%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Courtyard Hall	Depreciated replacement Method	Estimated replacement cost	₱170,297,000	₱170,297,000
		Remaining economic life	31 years	31 years

Details of the valuation techniques used in measuring fair values of investment properties are as follows:

Discounted Cash Flow Approach

Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market-derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Sensitivity Analysis. Generally, significant increases (decreases) in rental rate per sq.m. or per slot and rent escalation rate p.a. in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in discount rate and vacancy rate in isolation would result in a significantly lower (higher) fair value measurement.

Market Data Approach

Market data approach involves the comparison of the UPHI's Laguna and Tagaytay properties, Cazneau's Laguna properties and ALCO's Batangas and Tagaytay properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size and architectural features among others.

Depreciated Replacement Cost Method

Depreciated replacement cost method is used to estimate valuation of Courtyard Hall by computing for the replacement cost of the assets and applying appropriate adjustments for physical deterioration and functional and economic obsolescence.

10. PROPERTY AND EQUIPMENT

The balances and movements of this account consist of:

March 2026								
	Building and Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	ROU Asset	Total
Cost								
Balance at beginning of period	₱257,810,012	₱66,720,075	₱76,259,220	₱111,901,742	₱78,500	₱21,351,868	₱67,274,000	₱601,395,417
Additions	378,315	-	1,958,036	162,577	-	22,149,793	5,490,000	30,138,721
Disposals	-	-	(893,797)	-	-	-	-	(893,797)
Balance at end of period	258,188,327	66,720,075	77,323,459	112,064,319	78,500	43,501,661	72,764,000	630,640,341
Accumulated Depreciation and Amortization								
Balance at beginning of period	55,013,478	47,754,350	64,271,628	104,307,130	78,500	-	17,607,356	289,032,442
Depreciation and amortization	1,226,021	2,398,261	2,264,241	1,026,314	-	-	4,566,389	11,481,226
Disposals	-	-	(893,797)	-	-	-	-	(893,797)
Balance at end of period	56,239,499	50,152,611	65,642,072	105,333,444	78,500	-	22,173,745	299,619,871
Carrying Amount	₱201,948,828	₱16,567,464	₱11,681,387	₱6,730,875	₱-	₱43,501,661	₱50,590,255	₱331,020,470

December 2025								
	Building and Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	ROU Asset	Total
Cost								
Balance at beginning of year	₱256,707,392	₱80,315,611	₱65,806,721	₱110,863,832	₱78,500	₱-	₱29,028,000	₱542,800,056
Additions	1,102,620	-	10,452,499	1,037,910	-	21,351,868	38,246,000	72,190,897
Disposals	-	(13,595,536)	-	-	-	-	-	(13,595,536)
Balance at end of year	257,810,012	66,720,075	76,259,220	111,901,742	78,500	21,351,868	67,274,000	601,395,417
Accumulated Depreciation and Amortization								
Balance at beginning of year	50,126,062	48,273,878	54,772,115	83,405,040	78,500	-	4,526,000	241,181,595
Depreciation and amortization	4,887,416	13,076,008	9,499,513	20,902,090	-	-	13,081,356	61,446,383
Disposals	-	(13,595,536)	-	-	-	-	-	(13,595,536)
Balance at end of year	55,013,478	47,754,350	64,271,628	104,307,130	78,500	-	17,607,356	289,032,442
Carrying Amount	₱202,796,534	₱18,965,725	₱11,987,592	₱7,594,612	₱-	₱21,351,868	₱49,666,644	₱312,362,975

Depreciation and amortization on property and equipment were included as part of “Operating expenses” and “Cost of services” account in the interim consolidated statements of comprehensive income.

11. OTHER ASSETS

This account consists of:

	March 2026	December 2025
Advances for project development and land acquisition	₱789,281,407	₱832,690,186
Amounts held in trust and in escrow	341,048,000	289,782,733
Prepayments	295,723,377	219,875,442
Net deferred tax assets (Note 23)	210,623,605	169,532,699
Deposits	141,288,782	142,030,117
Software and licenses	91,772,722	83,823,848
Deferred input VAT	19,291,149	-
	1,889,029,042	1,737,735,025
Allowance for impairment loss	(16,002,600)	(16,002,600)
	₱1,873,026,442	₱1,721,732,425

Advances for project development and land acquisition pertain to downpayments made to contractors for the construction and acquisition of land of the Group’s real estate projects. These advances are applied against progress billings and upon transfer of land.

Amounts held in escrow represent the debt service account required under existing loans with certain banks, the amount of which is equivalent to a quarterly principal and interest amortization and in relation to property acquisition under sale and purchase agreement. Amounts held in trust represent cash in bank held under trust pursuant to Bhavana and Bhavya's applications for socialized housing with the Department of Human Settlements and Urban Development in relation to its projects.

Prepayments consist of rent, taxes, insurance and other expenses which are amortized over a year, and of prepaid commissions, amortized over the lease term for leasing and based on percentage of completion for selling.

Deposits pertain to utility deposits, deposits for professional services, guarantee and other deposits for the construction of the Group's real estate projects. Deposits are settled upon completion of the documentary requirements.

The carrying amount of software and licenses amounted to ₱91.8 million and ₱83.8 million as at March 31, 2026 and December 31, 2025, respectively. Amortization of software and licenses amounted to ₱2.7 million and ₱9.2 million for the period ended March 31, 2026 and December 31, 2025, respectively, are recorded as part of "Depreciation and amortization" account in the interim consolidated statements of comprehensive income.

12. ACCOUNTS AND OTHER PAYABLES

This account consists of:

	March 2026	December 2025
Accounts payable	₱508,767,637	₱549,263,961
Payable for the purchase of land	1,860,247,000	1,860,247,000
Accrued expenses	1,691,834,861	2,121,903,850
Deferred output VAT	1,132,762,909	1,170,312,492
Retention payable	666,266,694	672,178,812
Advances from buyers	224,567,940	220,418,284
Security deposits	140,587,412	147,467,673
Advance rent	103,711,769	72,485,342
Statutory payable	69,437,506	73,752,488
Lease liability	53,401,631	51,920,116
Dividends payable	4,385,716	4,396,992
Others	65,300,677	66,156,033
	₱6,521,271,752	₱7,010,503,043

Accounts payable, which are non-interest bearing and are normally settled within 30 days to one (1) year, consist mainly of liabilities to contractors and suppliers.

Payable for the purchase of land pertains to the land acquired in Banilad Road, Cebu City. The balance is payable based on a payment schedule as stated in the contract, with the last installment due on 2028.

Accrued expenses are expected to be settled within the next 12 months which pertain to construction costs, interest, management and professional fees, utilities, commissions, advertising and other expenses.

Deferred output VAT pertains to VAT from sales of property on installments. If the payments in the year of sale do not exceed twenty-five percent (25%) of the gross selling price, the sale will be considered under installment, in which case VAT will be paid based on collections.

Retention payable, which will be released after completion and satisfaction of the terms and conditions of the construction contract, pertains to amount retained by the Group from the contractors' progress billings for the real estate projects of the Group.

Advances from buyers include reservation fees and collections received from prospective lessees or buyers, which are and to be applied as security deposits upon execution of lease contracts or against the total contract price of the real estate sale. These are recorded at face amount.

Advance rent pertains to the payments made in advance by the tenants to be applied to their rent payable in the immediately succeeding months or in the last three (3) months of the lease term.

Statutory payables pertain to various withheld taxes payable to the government agencies which are generally paid within the next reporting period.

The balance and movements in lease liabilities as of March 31, 2026 and December 31, 2025, are as follows:

	March 2026	December 2025
Beginning Balance	₱51,920,116	₱25,187,149
Additions	5,490,000	38,246,000
Rental payments	(5,424,812)	(15,845,305)
Interest expense	1,416,327	4,332,272
Balance at end of period	53,401,631	51,920,116
Current portion of lease liability	18,862,775	16,632,437
Noncurrent portion of lease liability	₱34,538,857	₱35,287,679

Other payables include construction bonds, liabilities to SSS, PhilHealth and HDMF, payables to certain buyers as at cutoff date

13. LOANS PAYABLE

This account consists of:

	March 2026	December 2025
Local banks	₱19,187,559,734	₱18,646,599,606
Private funders	53,223,970	53,223,970
	₱19,240,783,704	₱18,699,823,576

Local bank loans

Loans from local banks consist of interest-bearing secured and unsecured loans obtained to finance project development and working capital requirements of the Group and carries interest rates ranging from 6.17% to 9.10% p.a. in March 31, 2026 and December 31, 2025.

Details of outstanding local bank loans as at March 31, 2026 and December 31, 2025 follow:

Purpose	Terms and Security	Effective interest rate (p.a.)	MARCH 2026	DECEMBER 2025
Short-term loans for working fund requirements	Unsecured and payable in full within one (1) year	7.0% to 8.85%	₱1,922,514,417	₱2,411,354,634
Short-term loan for working fund requirement of Savva	Unsecured and payable in full within one (1) year	7.50% to 8.50%	1,245,884,100	1,332,644,900
Short-term loan of Eluria	Unsecured and payable in full within one (1) year	7.50%	194,395,500	125,444,000
Short-term loan for working fund requirement of Cazneau	Unsecured and payable in full within one (1) year	7.50% to 8.50%	394,488,839	326,045,000
Short-term loan for working fund requirement of Lucima	Unsecured and payable in full within one (1) year	7.50%	154,850,000	87,000,000
Project Development and Land Acquisitions	Payable on a quarterly basis starting 2028 to 2030; secured by 51 office and commercial units and 336 parking slots of ACPT with carrying amount of ₱8,054.2 million and ₱8,052.7 million (see Note 9), and a debt	7.13%	1,488,433,246	1,488,809,680

Purpose	Terms and Security	Effective interest rate (p.a.)	MARCH 2026	DECEMBER 2025
	service reserve account amounting to ₱26.2 million as at March 31, 2026			
Development of Green Projects	Payable on a quarterly basis starting 2028 to 2030; secured by real estate mortgage over 38 office units and parking spaces of Cebu Exchange Tower Properties with carrying amount of ₱2,127.9 million (see Note 9) and a debt service reserve account amounting to ₱19.3 million as at December 31, 2025	7.47%	984,325,101	983,725,394
Construction of Eluria	Payable on a quarterly basis starting 2025 until 2027; secured by Eluria property with carrying amount of ₱780.4 million as at March 31, 2026 and December 31, 2025 (see Note 8), and an escrow account amounting to ₱19.4 million and ₱21.9 million as at March 31, 2026 and December 31, 2025, respectively.	6.37% to 9.10%	776,721,273	811,212,939
Construction of Lucima	Payable on a quarterly basis starting 2024 until 2026; secured by Lucima Residences property with carrying amount of ₱794.5 million as at March 31, 2026 and December 31, 2025 (see Note 8), and an escrow account amounting to ₱22.9 million and ₱30.1 million as at March 31, 2026 and December 31, 2025, respectively.	6.17% to 8.78%	438,021,169	627,507,212
Construction of Sevina Park	Payable on a quarterly basis starting November 2023 until August 2026; secured by raw land with carrying amount of ₱342.8 million (see Note 8), land attributable to courtyard hall with carrying amount of ₱393.5 million as at March 31, 2026, and an escrow account amounting to ₱30.1 million and ₱28.9 million as at March 31, 2026 and December 31, 2025, respectively.	6.25% to 8.49%	99,047,862	262,309,470
Construction of Sondris	Payable on a quarterly basis starting 3rd quarter of 2028 until July 2030; secured by land with carrying amount of ₱178.9 million (see Note 8) and a deposit hold out account amounting to ₱20.3 million as at December 31, 2025	7.31% to 7.77%	1,165,791,907	1,113,111,353
Credit facility agreement for financing of receivables from buyers of units and parking slots in Savya Financial Center	Payable in full in 2025 and 2026; secured by receivables and contract assets from buyer of units and parking slots in Savya Financial Center	6.50% to 6.75%	168,879,288	168,879,288
Credit facility agreement for financing of receivables from buyers of units in Cazneau Villas and Una Apartment T1	Payable from 2025 to 2027; secured by receivables and contract assets from buyers of units in Sevina Park Villas and Una Apartment T1	6.75% to 8.25%	2,212,857,927	2,006,594,173
Credit facility agreement for financing of receivables from buyers of units in Lucima.	Payable in full in 2026; secured by receivables and contract assets from buyer of units and parking slots in Lucima	7.16% to 7.75%	711,305,070	629,842,825
Credit facility agreement for financing of receivables from buyers of units and parking slots in Eluria	Payable in full in 2026 and 2027; secured by receivables and contract assets from buyers of units in Eluria	7.25% to 8.00%	1,289,160,547	1,202,666,255
Long-term loans for working fund requirements	Unsecured and payable in full in 2026 and 2027	8.09% to 8.63%	2,206,652,500	2,215,500,000
Long-term loans for working fund requirements of CLLC	Unsecured and payable in full in 2026 and 2027	8.50% to 8.63%	1,256,800,000	1,224,800,000
Long-term loans for working fund requirements of Arthaland	Payable from 2025 to 2028; secured by an unregistered real estate mortgage over commercial units and parking spaces of Arya Residences	7.53% to 8.12%	528,882,777	671,875,000
Long-term loans for working fund requirements of Arthaland	Payable in full on 2031; secured by 51 office and commercial units and 336 parking slots of Arthaland Century Pacific Tower with carrying amount of ₱8,054.2 million (see Note 9)	7.7253% to 8.0875%	992,548,213	-
Long-term loans for working fund requirements	Unsecured revolving credit line and payable in full upon maturity	7.50%	350,000,000	350,000,000
Long-term loans for working fund requirements of CLLC	Payable from 2026 to 2028; secured by a real estate mortgage over 12 office units and parking slots of Cebu Exchange with carrying amount of ₱1,490.3 million as at March 31, 2026	7.60% to 8.00%	606,000,000	610,000,000
			₱19,187,559,734	₱18,646,599,606

Development of Green Projects

In 2020, the Group entered into a ₱1,000.0 million term loan agreement with a local bank to finance eligible green projects, including land banking, investments, and refinancing activities related to such projects. The full amount of the loan was drawn in 2020. Under the terms of the agreement, the Group is required to submit disbursement reports to the lending bank to confirm that the loan proceeds have been utilized for eligible green projects. The loan was fully settled in February 2025.

In 2025, the Group entered into a sustainability-linked loan agreement of ₱1,000.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes. ALCO is required to maintain a debt-to-equity ratio of not more than 2.0x and current ratio of not less than 1.5x on a consolidated basis and the group is compliant with the requirements.

Construction of Sondris

In 2025, ZLDC entered into a ₱2,414.0 million term loan agreement with a local bank to finance the acquisition of 48 Condominium Certificate of Title (CCTs) and to partially fund the construction of Sondris.

As at March 31, 2026 ZLDC had drawn ₱1,175.6 million from the facility.

Under the loan agreement, ZLDC is required to maintain a maximum debt-to-equity ratio of 2.0x and a minimum current ratio of 1.5x. As at December 31, 2025, the Company's debt-to-equity ratio is 0.9x and its current ratio is 186.3x. Accordingly, ZLDC is compliant with the financial covenants as at March 31, 2026.

Construction of Eluria

In 2022, Bhavya entered into a term loan facility with a local bank to partially finance the construction of Eluria. Loan proceeds are available in multiple tranches from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavya. Moreover, Bhavya is required to maintain debt to equity ratio of not more than 2.0x, current ratio of not less than 1.5x and project debt to equity ratio not exceeding 0.5x.

The debt-to-equity ratio, current ratio and project debt to equity ratio of Bhavya as at December 31, 2025 based on its financial statements is 1.9x, 1.5x and 0.2x, respectively, which are compliant with the requirements of the term loan. As at March 31, 2026, the Group is compliant with these financial ratios.

Construction of Lucima Residences

In 2021, the Company entered into a term loan facility of ₱930.0 million with a local bank to partially finance the construction of Lucima Residences. Loan proceeds are available in multiple tranches for a period of 3 years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavana located in Cebu City. Moreover, Bhavana is required to maintain debt to equity ratio of not more than 2.00x, current ratio of not less than 1.50x and project debt to equity ratio not exceeding 0.50x.

The debt-to-equity ratio, current ratio and project debt to equity ratio of Bhavana as at December 31, 2025 based on its financial statements are 1.7x, 1.5x and 0.2x, respectively, which are compliant with the requirements of the term loan. As at March 31, 2026, the Group is compliant with these financial ratios.

Construction of Sevina Park

In 2021, Cazneau entered into a long-term loan facility of ₱1.0 billion with a local bank to partially finance the construction of Sevina Park. Loan proceeds are available in multiple tranches for a period of three (3) years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage over two parcels of land of Cazneau and grant of security interest over shares of ALCO. Moreover, Cazneau is required to maintain debt to equity ratio of not more than 2.00x and current ratio of not less than 1.50x.

The debt to equity and current ratio of Cazneau as at December 31, 2025 based on its financial statements are 1.8x and 1.7x, respectively, which are compliant with the requirements of the term loan. As at March 31, 2026, the Group is compliant with these financial ratios.

Long-term loans of CLLC

In 2025, CLLC entered into a term loan facility of ₱610.0 million with a local bank to refinance existing debt, and for other general corporate purposes. The outstanding loan balance is secured by real estate mortgage over 12 condominium units and parking slots within Cebu Exchange Tower. Moreover, CLLC is required to maintain debt to equity ratio of not more than 2.0x. As at December 31, 2025, the debt to equity ratio of CLLC is 0.4x, which is compliant with the requirement of the term loan. Accordingly, CLLC is compliant with the financial covenant as at March 31, 2026.

Private Funders

Outstanding balances of the loans from private funders amounting to ₱53.0 million as at March 31, 2026 and December 31, 2025, with interest rate of 5.80% p.a., are unsecured and are for working capital requirements of the Group.

14. BONDS PAYABLE

Details of this account are as follows:

	March 2026	December 2025
Bonds payable	₱3,000,000,000	₱3,000,000,000
Unamortized debt issue cost	(32,696,154)	(34,245,835)
	₱2,967,303,846	₱2,965,754,165

In October 2019, the Board of Directors (BOD) of ALCO approved the filing of a registration statement for the shelf registration of ₱6.0 billion fixed rate ASEAN Green Bonds (the “Bonds”) and the initial tranche of ₱2.0 billion bonds, with an oversubscription option of up to ₱1.0 billion.

In January 2020, the SEC approved the registration of the Bonds and the issuance of the initial tranche of the Bonds. On February 6, 2020, ALCO issued the initial tranche of the Bonds amounting to ₱2.0 billion with an oversubscription of ₱1.0 billion. It has a term ending five years from the issue date or on February 6, 2025, with a fixed interest rate of 6.35% p.a. and an early redemption option on the 3rd and 4th year from issue date. The proceeds of the initial tranche are for the development of eligible green projects and payment of certain outstanding loans of the Group. This was fully redeemed in February 2025.

In October 2022, the BOD approved the second tranche of up to ₱3.0 billion. The SEC approved the offer supplement in December 2022 for ₱2.4 billion with an oversubscription of up to ₱0.6 billion. These bonds have a five-year term with a fixed interest rate of 8.00% p.a. and an early redemption option in the 3rd and 4th years, and a seven-year term with a fixed interest rate of 8.75% p.a. and an early redemption option in the 5th and 6th years. Proceeds will fund eligible green projects and repay certain outstanding loans.

ALCO shall maintain the following financial ratios, with testing to be done on an annual basis, for as long as any of the ASEAN Green Bonds remain outstanding: debt to equity ratio of not more than 2.00x and current ratio of at least 1.50x. Testing of both financial covenants shall be done on April 30 of each year, using the December 31 audited consolidated financial statements of the Group. As at March 31, 2026 and December 31, 2025, the Group is compliant with these financial ratios.

Interest expense incurred on the Bonds amounted to ₱64.2 million and ₱94.4 million as at March 31, 2026 and 2025, respectively.

15. RELATED PARTY TRANSACTIONS

The company engages, in the normal course of business, in various transactions with its related parties which include entities under common control, key management and others.

Advances for Working Capital

This pertains to expenses advanced by the Group to the related parties. Outstanding balances of advances for working capital are unsecured, unguaranteed, collectible or payable on demand and to be settled in cash.

The Group's allowance for ECL on due from related parties amounted to nil as at March 31, 2026 and December 31, 2025.

Compensation of Key Management Personnel

The compensations of key management personnel are as follows:

	March 2026 (Three Months)	March 2025 (Three Months)
Salaries and other employee benefits	₱44,529,574	₱36,488,804

Transactions with the Retirement Plan

The Parent Company's retirement fund is administered and managed by a trustee bank. The fair value of plan assets, which are primarily composed of unit investment trust funds, amount to ₱145.5 million and ₱142.8 million as at March 31, 2026 and December 31, 2025.

The retirement fund neither provides any guarantee or surety for any obligation of the Parent Company nor its investments covered by any restrictions or liens.

Material Non-controlling Interests

The Group's non-controlling interests amounting to ₱2,701.8 million, and ₱2,695.2 million as at March 31, 2025 and December 31, 2025, respectively, pertain to interests in SLDC, KHI, Bhavana and Bhavya.

SLDC

Non-controlling interests over SLDC is 41% as at March 31, 2026 and December 31, 2025. Net income of SLDC allocated to non-controlling interests amounted to ₱3.0 million for the period ended March 31, 2026, and ₱137.3 million for the year ended December 31, 2025, which were determined based on the agreement between ALCO and HHI.

On March 17 and December 17, 2023, the BOD approved the subscription of convertible preferred shares by Help Holdings Inc. (HHI) to 19,096,407 and 2,049,000, respectively, shares at a subscription price of ₱100 per share or total amount of ₱2,114.5 million. The subscription was fully paid through the conversion of HHI's prior deposit for future stock subscription of the same amount. Additional paid-in capital arising from the subscription of convertible preferred shares aggregated to ₱2,093 million.

On October 25 and November 29, 2024, the Board of Directors (BOD) approved the subscription of convertible preferred shares by Help Holdings Inc. (HHI) to 147,900 shares and 58,944 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱20.7 million. The subscription was fully paid through the conversion of HHI's prior advances to the Corporation in the same amount.

On June 20, July 25 and September 19, 2025, the Board of Directors (BOD) approved the subscription of preferred shares by Help Holdings Inc. (HHI) to 27,597 shares, 89,752 shares and 41,156 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱15.9 million. The subscription was fully paid through the conversion of HHI's prior advances to the Corporation in the same amount. The deposit for future stock subscription was received in 2025 and converted in full during the same year.

KHI

The Group has 40% non-controlling interests in KHI. The net losses of KHI allocated to non-controlling interests amounting to ₱10.7 million for the period ended March 31, 2026, ₱60.5 million for the year ended December 31, 2025 in which were distributed based on the capital contribution.

On December 13, 2024, KHI's BOD approved to repay the advances to ALCO amounting to ₱70.2 million and to MEC amounting to ₱46.8 million which was paid on January 23, 2025.

On June 20, 2025, KHI's BOD approved to repay the advances to ALCO amounting to ₱64.2 million and to MEC amounting to ₱42.8 million which was paid on July 21, 2025.

Bhavana and Bhavya

In December 2021, ALCO sold, transferred and conveyed in favor of Narra Investment Properties Pte. Ltd. ("Narra"), by way of secondary sale, all of its rights, title and interest in and to 40% of the common shares of stock of Bhavana and Bhavya, or 20,000,000 common shares of stock thereof, as well as its shareholder advances and accrued interest receivables aggregating ₱449.4 million in exchange for ₱446.8 million. The transfer of Bhavana and Bhavya shares decreased the effective ownership of ALCO from 100% to 60%.

The net income (loss) of Bhavana and Bhavya allocated to non-controlling interests amounting to (₱13.2 million) and ₱14.1 million, respectively, for the period ended March 31, 2026 and (₱149.8 million) and ₱66.0 million, respectively, for the year ended December 31, 2025 in which were distributed based on the capital contribution.

In 2023, Narra also subscribed to 442,000 preferred shares of Bhavya for a total subscription amount of ₱44.2 million.

On March 20, 2024, the BOD approved the subscription of Narra to 300,000 preferred shares of Bhavya at the price of ₱100.00 per share, or a total of ₱30.0 million.

In December 2024, Narra subscribed to 180,000 preferred shares of Bhavana at the price of ₱100 per share, or a total of ₱27.0 million.

ZLDC

In December 2025, ALCO sold, transferred and conveyed in favor of SEAIMMO, by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of its common and preferred shares, or 200,000 common shares and 2,840,000 Preferred Shares Series B thereof, as well as its shareholder advances aggregating ₱216.0 million. The transfer of shares decreased the effective ownership of ALCO from 100% to 60%. ALCO has a receivable from SEAIMMO related to the sale and assignment of advances amounting to ₱204.8 million and ₱724.8 million as of March 31, 2026 and December 31, 2025, respectively.

The net loss of Zileya allocated to non-controlling interests amounting to (₱17.3 million) for the period ended March 31, 2026 in which were distributed based on the capital contribution.

The Group has the following transactions with the non-controlling interests:

	Amount of Transactions		Outstanding Balance	
	March 2026	December 2025	March 2026	December 2025
Advances for Project Development				
HHI	₱—	₱—	₱417,919,597	₱417,919,597
Narra	—	—	411,200,000	411,200,000
SEAIMMO	—	216,000,000	216,000,000	216,000,000
MEC	—	—	13,400,000	13,400,000
	₱—	₱216,000,000	₱1,058,519,597	₱1,058,519,597

16. EQUITY

The details of the Parent Company's number of common and preferred shares follow:

	March 2026		December 2025	
	Preferred	Common	Preferred	Common
Authorized	80,000,000	16,368,095,199	80,000,000	16,368,095,199
Par value per share	₱1.00	₱0.18	₱1.00	₱0.18
Issued	47,464,860	5,318,095,199	47,464,860	5,318,095,199
Outstanding	37,464,860	5,318,095,199	37,464,860	5,318,095,199

Preferred Shares

The Group's preferred shares Series A, C, D, E and F are cumulative, nonvoting, nonparticipating and nonconvertible. The movements and details of the issued and outstanding preferred shares are as follows:

	March 2026		December 2025	
	Number of shares	Amount	Number of shares	Amount
Issued and outstanding				
Balance at beginning of period	47,464,860	₱47,464,860	48,500,000	₱48,500,000
Issuance during the period	-	-	18,964,860	18,964,860
Retirement during the period	-	-	(20,000,000)	(20,000,000)
Balance at end of period	47,464,860	47,464,860	47,464,860	47,464,860
Treasury shares	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Parent Company's preferred shares held by a subsidiary	(26,500,000)	(26,500,000)	(26,500,000)	(26,500,000)
Outstanding	10,964,860	₱10,964,860	10,964,860	₱10,964,860

In June 2019, the Company made a follow-on offering of 10.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso - denominated preferred shares (the "Series C Preferred Shares") with ₱1.00 par value a share at the issuance price of ₱100 a share. Excess of the proceeds over the total par value amounting to ₱990.0 million and transactions costs of ₱12.5 million were recognized as additional and reduction to additional paid - in capital, respectively.

On December 3, 2021, the Parent Company made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated preferred shares (the "Series D Preferred Shares, with ₱1.00 par value a share at the issuance price of ₱500 a share. Excess of the proceeds over the total par value amounting to ₱2,994.0 million and transaction costs of ₱29.6 million were recognized as addition and reduction to additional paid-in capital, respectively.

In May 2024, the redemption of Preferred Shares Series C of the Group was approved. The Group redeemed the 10.0 million preferred shares at a redemption price of ₱100 per share for ₱1,000.0 million, plus accrued and any unpaid cash dividends due on redemption date June 27, 2024.

On August 14, 2024, the Group obtained the approval from SEC to amend its Articles of Incorporation to increase its authorized capital stock by ₱50.0 million. Following the approval, the Group cancelled the 20.0 million Preferred Shares Series B with a selling price of ₱100 per share for ₱2,000.0 million.

In November 2024, ALCO made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series F with ₱1 par value a share at the issuance price of ₱500 a share. As at December 31, 2024, ALCO issued and outstanding Preferred Shares Series F are 5.0 million for ₱2,482.4 million. Excess of the proceeds over the total par value amounting to ₱2,477.5 million and transactions costs of ₱30.1 million were recognized as addition and reduction to additional paid-in capital, respectively.

On January 22, 2025, ALCO's BOD approved the proposal to amend its Article Seventh of the AOI by decreasing its authorized capital stock by ₱10.0 million. The foregoing decrease in the authorized capital stock corresponds to the redemption of Preferred Shares Series C on June 27, 2024. On March 18, 2026, the Group obtained the approval from SEC to amend its AOI to decrease its authorized capital stock.

Parent Company's Preferred Shares Held by Subsidiary

In 2016, ALCO issued 12.5 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series A with ₱1 par value a share to MPI. On August 14, 2024, the Parent Company issued to MPI 14.0 million Preferred Shares Series E with a selling price of ₱1 per share for ₱14.0 million.

Common Shares

As at March 31, 2026 and December 31, 2025, the Parent Company has issued and outstanding common shares of 5,318,095,199 with par value of ₱0.18 amounting to ₱957.3 million.

Dividend Declaration

The Parent's Company's BOD and stockholders approved the following cash dividends to ALCO's stockholders:

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 21, 2026	February 04, 2026	February 16, 2026	Series F preferred shares	45,465,705	9.1575
January 21, 2026	February 11, 2026	March 03, 2026	Series D preferred shares	45,000,000	7.5000
				₱90,465,705	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 22, 2025	February 07, 2025	March 03, 2025	Series D preferred shares	₱45,000,000	₱7.5000
March 26, 2025	April 15, 2025	May 14, 2025	Series F preferred shares	45,465,705	9.1575
May 07, 2025	May 22, 2025	June 03, 2025	Series D preferred shares	45,000,000	7.5000
June 27, 2025	July 21, 2025	August 14, 2025	Series F preferred shares	45,465,705	9.1575
June 27, 2025	July 15, 2025	August 08, 2025	Common Shares	63,817,142	0.0120
August 6, 2025	August 20, 2025	September 03, 2025	Series D preferred shares	45,000,000	7.5000
August 6, 2025	October 21, 2025	November 14, 2025	Series F preferred shares	45,465,705	9.1575
October 29, 2025	November 13, 2025	December 3, 2025	Series D preferred shares	45,000,000	7.5000
				₱380,214,260	

Other Equity Reserves

As of March 31, 2026 and December 31, 2025, this account consists of:

Effect of changes in the Parent Company's ownership interest in subsidiaries	₱169,002,018
Stock options outstanding	7,161,827
Cumulative remeasurement gains on net retirement liability - net of tax	37,152,564
	₱213,316,409

Stock Options

In ALCO's annual meeting on 16 October 2009, stockholders approved the 2009 ALCO Stock Option Plan, allowing the issuance of up to 10% of ALCO's total outstanding capital stock equivalent to 531,809,519 shares. The plan was administered by the Stock Option and Compensation Committee, composed of three directors, one of whom is independent. Eligible participants include Board members (excluding independent directors), the President and CEO, corporate officers, managerial employees, and executive officers of subsidiaries or affiliates. The Committee has the authority to determine grant recipients,

exercise prices (not below par value), grant timing, and share allocation based on performance evaluations.

The option period spans three years, with vesting as follows: up to 33.33% within the first 12 months, up to 33.33% from the 13th to the 24th month, and up to 33.33% from the 25th to the 36th month. On the exercise date, the full purchase price must be paid, or as decided by the Committee. In 2010, 164.8 million options were granted, but none were exercised until the expiration of the option period in October 2012.

On December 14, 2018, the Board approved granting up to 90 million options at ₱0.85 per share based on performance evaluation of the grantees. On March 25, 2020, the option price was reduced to ₱0.50 per share.

As at March 31, 2026 and December 31, 2025, none of the qualified employees have exercised their options.

Use of Proceeds

Green Bonds - First Tranche

On February 21, 2024, the BOD approved the reallocation of the use of proceeds of the Bonds effective March 22, 2024, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Savya Financial Center or other Eligible Green Projects	₱1,500.0	₱1,351.0
Manila Long-Term Project	1,140.0	1,289.0
Arthaland Century Pacific Tower	309.0	309.0
Total	₱2,949.0	₱2,949.0

This was fully redeemed in February 2025.

Green Bonds – Second Tranche

The estimated gross proceeds from the offer of the second tranche of the Bonds amounted to ₱2,944.7 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Per Offer Supplement	Actual Net Proceeds	Actual Disbursement as at March 31, 2026	Balance for Disbursement as at March 31, 2026
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱-
Project Vanilla	1,120.0	1,080.3	930.3	150.0
Project Teal	-	50.0	50.0	-
ACPT Loan and Others	276.0	225.0	225.0	-
Project Olive	1,378.0	-	-	-
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

On August 06, 2025, the BOD approved the reallocation of the use of proceeds of the second tranche of green bonds effective September 05, 2025, as follows (amounts in millions):

Project	Actual Net Proceeds	Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	760.0	930.3
Project Teal	-	200.0

ACPT Loan and Others	225.0	225.0
Project Olive	370.3	-
Total	₱2,949.0	₱2,949.0

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the bonds effective March 20, 2026, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	930.3	1,080.3
Project Teal	200.0	50.0
ACPT Loan and Others	225.0	225.0
Total	₱2,949.0	₱2,949.0

Series F Preferred Shares

The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,451.5 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at March 31, 2026	Balance for Disbursement as at March 31, 2026
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱-
Project Teal	1,140.0	821.5	821.5	-
ACPT Loans	342.4	200.0	200.0	-
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	-	200.0	200.0	-
Investment in Bhavya to fund project Eluria	-	30.0	30.0	-
General Corporate Purposes	-	200.0	200.0	-
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱-

On March 26, 2025, ALCO's BOD approved the reallocation of the use of proceeds of the Series F Preferred Shares effective April 25, 2025, as follows (amounts in millions):

Purpose	Actual Net Proceeds	Reallocation
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0
Project Teal	1,140.0	821.5
ACPT Loan and Others	311.5	200.0
DSRA Requirement for ACPT Loan	-	200.0
Investment into Bhavya to Fund Project Eluria	-	30.0
General Corporate Purposes	-	200.0
Total	₱2,451.5	₱2,451.5

17. REVENUES

The account consists of:

	March 2026 (Three Months)	March 2025 (Three Months)
Real estate sales of:		
Una Apartments	₱349,531,141	₱190,452,118
Eluria	326,636,555	282,029,750
Sevina Park	160,387,947	51,641,252
Lucima Residences	37,685,463	206,528,574
Cebu Exchange	36,072,967	100,728,820
Savya Financial Center	28,043,613	77,591,244
	938,357,686	908,971,758
Leasing revenue	156,876,277	216,636,231
Property Management fees	9,809,776	8,846,117
Interest from real estate sale (see Note 2)	15,179,101	12,059,441
	₱1,120,222,840	₱1,146,513,547

Leasing revenue pertains to rent income and CUSA earned from various lease contracts of the Parent Company in ACPT, commercial units of MPI in Arya Residences, and dormitory units in Courtyard Hall, in which rent income is recognized on a straight-line basis under PAS 17, Leases.

18. COST AND EXPENSES

This account consists of:

	March 2026 (Three Months)	March 2025 (Three Months)
Cost of real estate sales	₱607,116,913	₱604,708,250
Cost of leasing operations	39,551,789	34,056,734
Cost of services	35,261,167	26,233,007
	₱681,929,869	₱664,997,991

19. OPERATING EXPENSES

Details of operating expenses by nature are as follows:

	March 2026 (Three Months)	March 2025 (Three Months)
Advertising	₱141,229,568	₱70,773,823
Personnel costs	131,805,924	112,313,564
Taxes and licenses	46,413,579	51,304,394
Communication and office expenses	44,890,874	44,163,918
Commissions and Broker's fees	34,424,390	99,367,266
Management and professional fees	15,564,574	12,140,238
Depreciation and amortization	14,136,930	16,854,479
Repairs and maintenance	9,220,952	5,426,755
Transportation and travel	7,346,634	8,129,323
Insurance	6,575,402	5,293,777
Rental	723,084	873,518
Utilities	1,069,417	1,978,698
Others	11,673,886	3,375,193
	₱465,075,214	₱431,994,946

20. FINANCE COSTS

Finance costs relate to the following:

	March 2026 (Three Months)	March 2025 (Three Months)
Interest expense	₱421,172,680	₱319,676,327
Bank charges	1,966,113	3,757,231
	₱423,138,793	₱323,433,558

21. OTHER INCOME – NET

This account consists of:

	March 2026 (Three Months)	March 2025 (Three Months)
Gain on repossessions	₱20,294,134	₱2,190,173
Realized gain on disposals of financial assets at FVPL	7,673,537	46,913,251
Interest income	6,698,829	36,579,568
Unrealized holding gains (losses) on financial assets at FVPL	1,350,644	(7,653,751)
Foreign exchange gains (losses)	599,279	(472,085)
Others - net	10,155,874	(16,722,487)
	₱46,772,297	₱60,834,669

22. NET RETIREMENT LIABILITY

The Group has a funded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with minimum of five years of credited service or late retirement after age 60, both subject to the approval of the Company's BOD.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

There are no unusual or significant risks to which the retirement liability exposes the Group. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Parent Company.

The movements of net retirement liability recognized in the interim consolidated statements of financial position are as follows:

	March 2026	December 2025
Balance at beginning of period	₱53,898,518	₱27,371,514
Retirement expense:		
Current service cost	9,507,120	30,519,356
Net interest cost	-	1,785,576
Remeasurement loss (gain) on:		
Change in financial assumptions	-	(6,970,124)
Experience adjustments	-	(654,106)
Return on retirement plan asset	-	1,846,302
Balance at end of period	₱63,405,638	₱53,898,518

23. INCOME TAXES

The components of provision for income tax are as follows:

	March 2026	March 2025
Reported in Profit or Loss		
Current:		
MCIT	₱11,236,729	₱14,636,160
Final taxes	2,876,538	16,693,197
Gross income tax (GIT)	931,820	1,480,812
	15,045,087	32,810,169
Deferred	87,888,762	38,487,820
	₱102,933,849	₱71,297,989

Deferred Tax Assets

The components of the Group's net deferred tax assets presented under Other assets (Note 11) are as follows:

	March 2026	December 2025
Deferred tax assets:		
NOLCO	₱257,001,498	₱224,299,269
Excess of taxable over financial gross profit	11,267,634	11,267,634
Excess MCIT over RCIT	3,567,482	3,335,219
Retirement liability	2,711,578	2,381,544
Effect of PFRS 16	26,214	18,914
Unrealized foreign exchange loss	-	17,270
	274,574,406	241,319,850
Deferred tax liabilities:		
Excess of financial over taxable gross profit	63,913,578	71,787,151
Unrealized foreign exchange gain	37,223	-
	63,950,801	71,787,151
Net deferred tax assets	₱210,623,605	₱169,532,699

Deferred Tax Liabilities

The components of the Group's net deferred tax assets and liabilities are as follows:

	March 2026	December 2025
Deferred tax assets:		
NOLCO	₱1,086,859,365	₱818,905,031
Excess MCIT over RCIT	103,779,803	92,781,154
Retirement liability	37,668,231	36,373,479
Advance rent	28,529,075	16,214,143
Excess of commission expense over commissions paid	8,172,757	8,172,757
Excess of taxable gross profit over financial	7,492,591	-
Allowance for impairment losses	4,437,348	4,437,348
Effect of PFRS 16	670,593	538,426
	1,277,609,763	977,422,338
Deferred tax liabilities:		
Cumulative gain on change in fair value of investment properties	3,025,543,733	2,840,005,564
Excess of financial over taxable gross profit	918,662,566	681,259,010
Depreciation of investment properties	85,812,228	81,052,872
Accrued rent receivable	19,545,255	17,861,403
Actuarial gain or loss	12,557,629	12,557,629
Transfer of fair value to property and equipment	9,603,385	9,659,545
Capitalized debt issue costs	7,418,803	7,461,936

	March 2026	December 2025
Unrealized foreign exchange gains	1,537,191	1,655,732
	4,080,680,790	3,651,513,691
Net deferred tax liabilities	₱2,803,071,027	₱2,674,091,353

The reconciliation between the income tax expense based on statutory income tax rate and effective income tax rate reported in the consolidated statements of comprehensive income is as follows:

	March 2026	March 2025
Income tax computed at statutory tax rate	₱106,677,706	₱76,940,054
Add (deduct) tax effects of:		
deductible expenses and nontaxable income	1,867,054	2,397,054
Consolidated Leasing Solutions	1,194,539	494,907
Change in unrecognized deferred tax assets	596,966	941,618
Income subject to GIT	(6,349,076)	(7,072,019)
Income subject to final tax	(1,053,340)	(2,403,625)
	₱102,933,849	₱71,297,989

PEZA Registration

ACPT is registered with the PEZA as an Ecozone Facilities Enterprise (see Note 1). The scope of its registered activity is limited to development, operation and maintenance of an economic zone. Under the PEZA Registration Agreement, ACPT is entitled to 5% GIT, in lieu of all national and local taxes. Any income from activities of ACPT outside the PEZA-registered activities is subject to RCIT.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise cash in banks, cash equivalents, financial assets at FVPL, receivables (excluding advances for project development and accrued rent receivable under straight-line basis of accounting), amounts held in escrow, deposits, loans and bonds payable, accounts and other payables (except statutory liabilities, advance rent and payable to customers) and advances from non-controlling interests.

It is the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks as summarized below.

Credit Risk

The Group's exposure to credit risk arises from the failure of counterparty to fulfill its financial commitments to the Group under the prevailing contractual terms. Financial instruments that potentially subject the Group to credit risk consist primarily of trade receivables, contract assets and other financial assets at amortized cost. The carrying amounts of financial assets at amortized cost represent its maximum credit exposure.

Trade Receivables and Contract Assets

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms, and conditions are offered. The Group's credit policy includes available external ratings, financial statements, credit agency information, industry information and, in some cases, bank references. Credit limits are established for each customer and reviewed on a regular basis. Any sales on credit exceeding those limits require specific approval from upper level of management. The Group limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. Historically, trade receivables are substantially collected within one (1) year and it has no experience of writing-off or impairing its trade receivables due to the effectiveness of its collection.

As customary in the real estate business, title to the property is transferred only upon full payment of the purchase price. There are also provisions in the sales contract which allow forfeiture of installments or deposits made by the customer in favor of the Group. Also, customers are required to deposit postdated checks to the Group covering all installment payments. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments. Trade receivables from lease are closely monitored on aging of the account. As at March 31, 2026 and December 31, 2025, there were no significant credit concentrations. The maximum exposure at the end of the reporting period is the carrying amount of trade receivables and contract assets.

Other Financial Assets at Amortized Cost

The Group's other financial assets at amortized cost are mostly composed of cash in banks, cash equivalents, amounts held in escrow and investment in time deposits. The Group limits its exposure to credit risk by investing only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments. For deposits, credit risk is low since the Group only transacts with reputable companies and individuals with respect to this financial asset.

It is the Group's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

Financial Assets at FVPL

The Group is also exposed to credit risk in relation to its investments in money market fund that is measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

Liquidity Risk

Liquidity risk is the risk that the Group may not be able to settle its obligations as they fall due.

The Group monitors its risk to a shortage of funds through analyzing the maturity of its financial investments and financial assets and cash flows from operations. The Group monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a daily basis to arrive at the projected cash position to cover its obligations.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group addresses liquidity concerns primarily through cash flows from operations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group's loans and bonds payable to local banks are subject to fixed interest rates and are exposed to fair value interest rate risk. The re-pricing of these instruments is done on annual intervals.

The Group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Group's consolidated net income.

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position to support its business operations and growth, while maximizing shareholder value and maintaining an optimal capital structure.

The Group manages its capital structure, which consists of debt and equity, and monitors its capital using financial leverage ratios, such as the debt-to-equity ratio, defined as interest-bearing borrowings and liabilities for deferred purchase price of property and services, divided by total equity and advances from non-controlling interest.

The Group's policy is to maintain a level of leverage that is consistent with industry norms and within the limits set by its financing agreements. The Group monitors compliance with financial covenants associated with its borrowings as part of its capital management process.

Capital for the reporting periods under review is summarized as follows:

	March 2026	December 2025
Total liabilities	₱33,270,420,353	₱33,058,291,862
Total equity	₱14,824,997,026	₱14,648,750,876
Debt-to-equity ratio	2.24:1.00	2.26:1.00

The Group has complied with all externally imposed capital requirements, including financial covenants, during the reporting periods.

26. EARNINGS PER SHARE (EPS)

Basic and diluted earnings per share are computed as follows:

	March 2026	March 2025
Net income attributable to equity holders of the Parent Company	₱260,085,177	₱147,773,256
Less share of Series D and F Preferred Shares	(90,465,705)	(90,465,705)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share (a)	₱169,619,472	₱57,307,551
Weighted average number of common shares for diluted EPS (b)	5,318,095,199	5,318,095,199
Basic and diluted EPS (a/b)	₱0.0319	₱0.0108

27. FAIR VALUE MEASUREMENT

The following table presents the carrying amounts and fair values of the Group's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

	March 2026			
	Fair Value			
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value -				
Financial assets at FVPL	325,488,024	325,488,024	-	-
Investment properties	17,636,841,942	-	3,383,188,125	14,253,653,817
Financial assets at amortized cost -				
Deposits	141,288,782	-	-	141,288,782
	18,103,618,748	325,488,024	3,383,188,125	14,394,942,599
Liability for which fair value is disclosed -				
Loans payable	19,240,783,704	-	-	19,240,783,704
Bonds payable	2,967,303,846	-	-	2,967,303,846
	22,208,087,550	-	-	22,208,087,550

	December 2025			
	Fair Value			
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:				
Financial assets at FVPL	P271,312,173	P271,312,173	P-	P-
Investment properties	16,569,289,505	-	3,056,256,603	13,513,032,902
Financial assets at amortized cost -				
Deposits	142,030,117	-	-	142,030,117
	P16,982,631,795	P271,312,173	P3,056,256,603	P13,655,063,019
Liability for which fair value is disclosed -				
Loans payable	P18,699,823,576	P-	P17,873,637,329	P-
Bonds payable	2,965,754,165	-	2,434,110,185	-
	P21,665,577,741	P-	P20,307,747,514	P-

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate fair values as at March 31, 2026 and December 31, 2025:

	March 2026	December 2025
Financial assets:		
Cash and cash equivalents	P1,152,711,454	P1,381,114,743
Receivables*	2,143,578,497	3,349,816,380
Amounts held in trust and in escrow	341,048,000	259,266,681
	P3,637,337,951	P4,990,197,804
Financial liabilities:		
Accounts and other payables**	P4,937,389,997	P5,421,614,321
Advances from non-controlling interests	1,058,519,597	1,058,519,597
	P5,995,909,594	P6,480,133,918

*Excludes accrued rent receivable aggregating P72.1 million and P65.4 million as at March 31, 2026 and December 31, 2025, respectively.

**Excludes advances from buyers, advance rent, statutory liabilities, deferred output vat and lease liabilities aggregating P1,583.9 million and P1,588.9 million as at March 31, 2026 and December 31, 2025, respectively.

28. CLASSIFICATION OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ACCOUNTS

The Group's current portions of its assets and liabilities are as follows:

	March 2026	December 2025
Current Assets		
Cash and cash equivalents	₱1,152,711,454	₱1,381,114,743
Financial assets at fair value through profit or loss	325,488,024	271,312,173
Receivables	2,215,659,923	3,415,177,569
CWT	1,186,043,334	1,125,196,039
Input VAT	1,008,622,035	912,807,838
Contract assets	9,527,678,626	8,891,243,368
Real estate for sale	12,838,325,129	13,106,806,103
Other assets*	1,089,465,247	200,557,485
	₱29,343,993,772	₱29,304,215,318

*Excludes non-current portion of advances for asset purchase and land acquisition, advances to contractors, amount held in escrow, deposits, software, deferred tax assets and deferred input VAT amounting to ₱783.6million and ₱1,351.6 million as at March 31, 2026 and December 31, 2025, respectively.

Current Liabilities		
Current portion of loans payable*	₱11,908,300,008	₱11,426,598,458
Accounts and other payables**	4,166,088,752	3,772,477,060
Contract liabilities	616,064,789	595,701,610
	₱16,690,453,549	₱15,794,777,128

*Excludes long term portion of loans payable amounting to ₱7,332.5 million and ₱7,273.2 million as at March 31, 2026 and December 31, 2025, respectively.

**Excludes non-current portion of payable for the purchase of land, retention payable, deferred output VAT, lease liabilities and other payables amounting to ₱2,355.2 million and ₱3,238.0 million as at March 31, 2026 and December 31, 2025, respectively.

29. OPERATING SEGMENT INFORMATION

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to sale of real estate, leasing and property management services.

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and expenses are consistent with the consolidated statements of comprehensive income. The presentation and classification of segment assets and liabilities are consistent with the consolidated statements of financial position.

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the period ended March 31, 2026, December 31, 2025, and March 31, 2025:

	March 2026 (Unaudited)					Total
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	
Segment revenue	₱953,536,787	₱156,876,277	₱216,152,773	₱-	(₱206,342,997)	₱1,120,222,840
Segment expenses	(615,915,172)	(40,343,789)	(65,349,277)	(631,739,841)	206,342,997	(₱1,147,005,083)
Segment profit (loss)	337,621,615	116,532,488	150,803,496	(631,739,841)	-	(26,782,243)
Net gain on change in fair value of investment properties	-	742,150,074	-	-	-	742,150,074
Finance cost	-	-	-	(543,187,695)	120,048,902	(423,138,793)
Other income - net	-	-	-	46,772,297	-	46,772,297
Income (loss) before income tax	337,621,615	858,682,562	150,803,496	(1,128,155,239)	120,048,902	339,001,335

March 2026 (Unaudited)						
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	Total
Provision for income tax						102,933,849
Net income						236,067,486
Other comprehensive income						-
Total comprehensive income						₱236,067,486

March 2025 (Unaudited)						
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	Total
Segment revenue	₱921,031,199	₱216,636,231	₱395,165,957	₱-	(₱386,319,840)	₱1,146,513,547
Segment expenses	(616,029,212)	(34,056,734)	(53,875,958)	(779,350,873)	386,319,840	(1,096,992,937)
Segment profit (loss)	305,001,987	182,579,497	341,289,999	(779,350,873)	-	49,520,610
Net gain on change in fair value of investment properties		484,728,260	-	-	-	484,728,260
Finance cost	(126,565,611)	(200,670,683)	-	(28,605,118)	32,407,854	(323,433,558)
Other income - net	-	-	-	60,834,669	-	60,834,669
Income (loss) before income tax	178,436,376	466,637,074	341,289,999	(747,121,322)	32,407,854	271,649,981
Provision for income tax						71,297,989
Net income						200,351,992
Other comprehensive income						-
Total comprehensive income						₱200,351,992

March 2026 (Unaudited)						
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	Total
Segment assets	₱27,845,936,086	₱26,387,767,220	₱66,820,268	₱9,425,010,780	(₱15,630,116,975)	₱48,095,417,379
Segment liabilities	(₱9,601,635,544)	(₱8,473,356,253)	(₱64,597,301)	(₱25,231,832,407)	₱10,101,001,152	(₱33,270,420,353)

December 2025 (Audited)						
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	Total
Segment assets	₱11,317,552,917	₱16,669,904,961	₱6,527,749	₱34,551,796,694	(₱14,838,739,584)	₱47,707,042,738
Segment liabilities	(₱8,562,347,455)	(₱72,485,342)	₱-	(₱33,840,792,319)	₱9,417,333,255	(₱33,058,291,862)

30. EVENTS AFTER THE REPORTING PERIOD

Declaration of Cash Dividends

The Parent Company's BOD approved and declared the following cash dividends:

Class of shares	Declaration Date	Stockholders of Record Date	Payment Date	Amount	Dividend per Share
Series F preferred shares	April 8, 2026	April 23, 2026	May 14, 2026	₱45,465,705	₱9.1575
Series D preferred shares	May 6, 2026	May 20, 2026	June 3, 2026	₱45,000,000	₱7.500

The dividends of Series F and Series D shall be taken out of the unrestricted earnings of the Parent Company as at December 31, 2025 and March 31, 2026, respectively.

Item 2: Management’s Discussion and Analysis of Financial Condition and Results of Operations

FINANCIAL POSITION

MARCH 2026 vs DECEMBER 2025

	MAR 31, 2026	DEC 31, 2025	% Change
Cash and cash equivalents	₱ 1,152,711,454	₱ 1,381,114,743	-17%
Financial assets at fair value through profit or loss (FVPL)	325,488,024	271,312,173	20%
Receivables	2,215,659,923	3,415,177,569	-35%
Creditable withholding taxes	1,186,043,334	1,125,196,039	5%
Input value-added tax (VAT)	1,008,622,035	912,807,838	10%
Contract Assets	9,527,678,626	8,891,243,368	7%
Real estate for sale	12,838,325,129	13,106,806,103	-2%
Investment properties	17,636,841,942	16,569,289,505	6%
Property and equipment	331,020,470	312,362,975	6%
Other Assets	1,873,026,442	1,721,732,425	9%
Total Assets	48,095,417,379	47,707,042,738	1%
Accounts payable and other liabilities	6,521,271,752	7,010,503,043	-7%
Loans payable	19,240,783,704	18,699,823,576	3%
Bonds payable	2,967,303,846	2,965,754,165	0%
Contract liabilities	616,064,789	595,701,610	3%
Advances from non-controlling interests	1,058,519,597	1,058,519,597	0%
Net retirement liability	63,405,638	53,898,518	18%
Net deferred tax liabilities	2,803,071,027	2,674,091,353	5%
Total Liabilities	33,270,420,353	33,058,291,862	1%
Equity attributable to equity holders of the Parent Company			
Capital stock	1,004,721,996	1,004,721,996	0%
Additional paid-in capital	6,464,321,710	6,464,321,710	0%
Treasury shares	(1,000,000,000)	(1,000,000,000)	0%
Parent Company’s preferred shares held by a subsidiary	(26,500,000)	(26,500,000)	0%
Retained earnings	5,467,291,263	5,297,671,791	3%
Other equity reserves	213,316,409	213,316,409	0%
	12,123,151,378	11,953,531,906	1%
Non-controlling interests	2,701,845,648	2,695,218,970	0%
Total Equity	14,824,997,026	14,648,750,876	1%
Total Liabilities and Equity	₱ 48,095,417,379	₱ 47,707,042,738	1%

The Company’s total assets as of March 31, 2026 is at ₱48.1 billion from ₱47.7 billion last December 31, 2025.

Causes for any material changes (+/- 5% or more) in the financial statements

17% Decrease in Cash and Cash Equivalents

The decrease is largely due to payments related to operations of the group.

20% Increase in Financial Assets at Fair Value through Profit or Loss

The increase is due to new investments made in this period.

35% Decrease in Receivables

The decrease is mainly from the collections received from customers and SEAIMMO from the sale of 40% interest in ZLDC.

5% Increase in Creditable Withholding Taxes

The increase is mainly due to the recognition of project management fees for new projects, resulting in higher income subject to withholding.

10% Increase in Input Value-added Tax (VAT)

The increase is primarily driven by payments for construction costs and management fees incurred during the period.

7% Increase in Contract Assets

The increase is due to new real estate contracts recognized during the period mainly from buyers of Eluria and UNA Apartments.

6% Increase in Investment Properties

The increase is mainly attributable to the reclassification of Cebu Exchange assets from real estate for sale, supplemented by fair value adjustments during the period.

6% Increase in Property and Equipment

The increase mainly reflects the ongoing construction of showroom for new project LIV.

21% Increase in Other Assets

The increase is primarily driven by the annual prepayment of taxes on the company's properties and assets subject to amortization during the year.

Total liabilities saw a slight 1% increase to ₱33.3 billion this quarter, up from ₱33.1 billion at the end of 2025, due to the following:

7% Decrease in Accounts Payable and Other Liabilities

The decrease is mainly due to payment of accrued construction-related obligations during the period.

18% Increase in Retirement Liability

The increase is due to additional provision of retirement expense for the period.

5% Increase in Net Deferred Tax Liabilities

The increase was primarily attributable to taxes arising from the recognition of fair value gain on investment properties.

Total equity grew to ₱14.8 billion by March 31, 2026 from ₱14.6 billion at the end of 2025.

RESULTS OF OPERATIONS

MARCH 2026 vs MARCH 2025

	MAR 31, 2026	% of Sale	MAR 31, 2025	% of Sale	% Change
Revenues	₱ 1,120,222,840	100%	₱1,146,513,547	100%	-2%
Cost and Expenses	681,929,869	61%	664,997,991	58%	3%
GROSS INCOME	438,292,971	39%	481,515,556	42%	-9%

	MAR 31, 2026	% of Sale	MAR 31, 2025	% of Sale	% Change
Administrative expenses	289,421,256	26%	252,259,802	22%	15%
Selling and marketing expenses	175,653,958	16%	179,735,144	16%	-2%
OPERATING EXPENSES	465,075,214	42%	431,994,946	38%	8%
OTHER OPERATING INCOME (EXPENSES)					
Finance costs	(423,138,793)	38%	(323,433,558)	28%	31%
Net gain on change in fair value of investment properties	742,150,074	66%	484,728,260	42%	53%
Other income – net	46,772,297	4%	60,834,669	5%	-23%
INCOME BEFORE INCOME TAX	339,001,335	30%	271,649,981	24%	25%
PROVISION FOR INCOME TAX	102,933,849	9%	71,297,989	6%	44%
NET INCOME	236,067,486	21%	200,351,992	17%	18%
NET INCOME ATTRIBUTABLE TO:					
Equity holders of Parent Company	260,085,177	23%	147,773,256	13%	76%
Non-controlling interests	(24,017,691)	-2%	52,578,736	5%	-146%
	₱ 236,067,486	21%	₱ 200,351,992	17%	18%

The Group's consolidated net income rose 18%, reaching ₱236.1 million compared to ₱200.4 million in the previous period.

Causes for any material changes (+/- 5% or more) in the financial statements

15% Increase in Administrative Expenses

The increase is mainly attributed to higher personnel expenses incurred for the period.

31% Increase in Finance Costs

The increase is due to the additional loans secured by the group.

53% Increase in Net Gain on Change in Fair Value of Investment Properties

This pertains to the revaluation gain recognized from the reclassification of Cebu Exchange assets from real estate for sale to investment properties, following a change in intended use from sale to leasing and long-term capital appreciation.

23% Decrease in Other Income - net

The decrease is mainly driven by a drop in interest earnings and gains on financial assets at FVPL.

44% Increase in Provision for Income Tax

The increase is primarily attributed to higher taxable income in the first quarter of 2026.

FINANCIAL RATIOS

MARCH 2026 vs DECEMBER 2025 vs MARCH 2025

RATIO	FORMULA	MAR 2026	DEC 2025	MAR 2025
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.76:1	1.86:1	1.68:1
Acid Test Ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	0.22:1	0.32:1	0.38:1

Solvency Ratios	<u>Net Income before depreciation</u> Total liabilities	0.01:1	0.01:1	0.01:1
Debt-to-Equity Ratio	<u>Total Liabilities</u> Total Equity	2.24:1	2.26:1	1.74:1
Debt to Equity Ratio for Loan covenant	<u>Total Debt [Bonds and loans payable and amount payable for deferred purchase price of property] to Total Equity [Total Equity and Advances from non-controlling interest]*</u>	1.52:1	1.50:1	1.23:1
Asset-to-Equity Ratio	<u>Total Assets</u> Total Equity	3.24:1	3.26:1	2.74:1
Interest Rate Coverage Ratio	<u>Pretax Income before Interest</u> Interest expense	1.80:1	1.57:1	1.85:1
Profitability Ratio	<u>Net Income attributable to equity holders of the Parent Company</u> Total Equity	0.02:1	0.03:1	0.01:1
Return on Equity	<u>Net Income</u> Average Equity excluding Preferred Shares	2.87%	2.82%	2.14%
Return on Assets	<u>Net Income</u> Average Total assets	0.54%	0.92%	0.52%
Net Profit Margin	<u>Net Income</u> Revenue	21%	8%	17%
Basic Earnings per Share	<u>Net income less dividends declared</u> Outstanding common shares	0.0319	0.0185	0.0108
Price to Earnings Ratio	<u>Market Price per share</u> Earnings per share	13.48:1	22.72:1	29.23:1
Dividend Yield	<u>Dividends per share</u> Market price per share	2.79%	2.86%	3.81%

December 2025 ratio is based on full year income while March 2026 and March 2025 ratios are based on three-month income.

*Mar 2025: Total Debt [Bonds and loans payable, amount payable for purchase of interest in a subsidiary and advances from non-controlling interest] to Total Equity