



15 May 2025

**PHILIPPINE DEALING AND
EXCHANGE CORPORATION**

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**
Head – Issuer Compliance and Disclosure Department

Re: Quarterly Report

Dear Atty. Selleza,

In compliance with the disclosure requirements of the Philippine Dealing and Exchange Corporation, please find attached Megawide Construction Corporation's Quarterly Report including the supporting financial statement for the quarter ended 31 March 2025.

Should you have any questions or concerns, please do not hesitate to reach out to us.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Melissa'.

MELISSA ESTER E. CHAVEZ-DEE

*Corporate Secretary, Assistant Compliance Officer, and
Corporate Information Officer*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
Mar 31, 2025

2. SEC Identification Number
CS200411461

3. BIR Tax Identification No.
232-715-069-000

4. Exact name of issuer as specified in its charter
Megawide Construction Corporation

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

6. Industry Classification Code(SEC Use Only)

7. Address of principal office
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Postal Code
1112

8. Issuer's telephone number, including area code
(02)8655-1111

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,013,409,717
Preferred	130,144,900

11. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes No

If yes, state the name of such stock exchange and the classes of securities listed therein:

The Philippine Stock Exchange, Inc. – Common Shares (MWIDE), Series 2B Preferred Shares (MWP2B), Series 5 Preferred Shares (MWP5), Series 6A Preferred Shares (MWP6A), Series 6B Preferred Shares (MWP6B), Series 6C Preferred Shares (MWP6C)

12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Megawide Construction Corporation MWIDE

PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2025
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2025	Dec 31, 2024
Current Assets	47,174,217,678	47,148,175,989
Total Assets	63,124,767,327	63,336,756,031
Current Liabilities	28,033,477,481	28,103,796,426
Total Liabilities	46,153,653,902	46,344,815,190
Retained Earnings/(Deficit)	6,439,897,550	6,460,568,054
Stockholders' Equity	16,971,113,425	16,991,940,841
Stockholders' Equity - Parent	16,446,659,714	16,462,710,338
Book Value per Share	3.33	3.34

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	4,328,444,909	5,298,817,624	4,328,444,909	5,298,817,624
Gross Expense	4,043,771,153	5,017,057,820	4,043,771,153	5,017,057,820
Non-Operating Income	127,577,329	96,518,504	127,577,329	96,518,504

Non-Operating Expense	419,709,001	370,775,547	419,709,001	370,775,547
Income/(Loss) Before Tax	284,673,756	281,759,804	284,673,756	281,759,804
Income Tax Expense	75,453,584	98,339,564	75,453,584	98,339,564
Net Income/(Loss) After Tax	209,220,172	183,420,240	209,220,172	183,420,240
Net Income Attributable to Parent Equity Holder	213,996,964	188,375,613	213,996,964	188,375,613
Earnings/(Loss) Per Share (Basic)	0.05	0.04	0.05	0.04
Earnings/(Loss) Per Share (Diluted)	-	-	-	-

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.06	0.03
Earnings/(Loss) Per Share (Diluted)	-	-

Other Relevant Information
None.

Filed on behalf by:

Name	Melissa Ester Chavez-Dee
Designation	Corporate Secretary/Corporate Information Officer

MEGAWIDE CONSTRUCTION CORPORATION
Company's Full Name

**20 N. Domingo Street,
Barangay Valencia
Quezon City**
Company's Address

655-1111
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-Q
Form Type

March 31, 2025
Period Ended Date

—

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the Quarterly Period Ended **March 31, 2025**
2. SEC Identification Number **CS200411461**
3. BIR Tax Identification No. **232-715-069-000**
4. Exact Name of Issuer as Specified in its Charter **Megawide Construction Corporation**
5. Province, Country or other Jurisdiction of Incorporation or Organization **Philippines**
6. Industry Classification Code (SEC use only)
7. Address of Principal Office **No. 20 N. Domingo Street, Barangay Valencia, Quezon City**
Postal Code **1112**
8. Issuer's Telephone Number, including Area Code **(02) 655-1111**
9. Former Name, Former Address and Fiscal Year, if Changed since Last Report **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA:

Title of Each Class	Number of Shares Issued and Outstanding	Amount of Debt Outstanding (Php)
MWIDE (Common)	2,399,426,127	0
MWP2B (Preferred)	17,405,880	0
MWP3 (Preferred)	45,000,000	0
MWP4 (Preferred)	40,000,000	0
MWP5 (Preferred)	15,000,000	0

11. Are any or all these securities listed on a stock exchange?

Yes

No

If yes, state the name of such stock exchange and classes of securities listed therein:

The Philippine Stock Exchange, Inc.

- **Common Shares (MWIDE)**
- **Preferred Shares (MWP2B, MWP4, and MWP5)**

12. Check whether the issuer:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes No

has been subject to such filing requirements for the past 90 days.

Yes No

PART I –FINANCIAL INFORMATION

Item 1. Financial Statements

The interim Consolidated Financial Statements of Megawide Construction Corporation (“Megawide”) as of March 31, 2025 with comparative figures as of December 31, 2024 and March 31, 2024, Cash Flows and Schedule of Aging Accounts Receivable is incorporated by reference as Exhibit 1.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

A. RESULTS OF OPERATIONS

Review of results for the three (3) months ended March 31, 2025 as compared with the results for the three (3) months ended March 31, 2024.

Revenues decreased by 19% or PhP 1.0 billion

Consolidated revenues for the period amounted to P4.2 billion, 19% or P1.0 billion lower than the same period last year.

In terms of segment, construction operations contributed P3.7 billion and accounted for 87% of total consolidated revenues. The performance was traced to the winding down phase for a number of existing projects, which generate lower revenues based on the S-Curve.

Landport operations meanwhile delivered higher revenue of P136 million from office towers and commercial spaces, 27% more than the previous year, and contributed close to 3% to the total consolidated revenues. The segment benefitted from the steady influx of passenger traffic in the terminal.

Revenue from real estate operations amounted to P397 million, and this came from its ongoing projects such as My Enso Lofts, The Hive, Northscapes, Modan Lofts, and One Lancaster Park. With a healthy sales stock, revenues from the segment are expected to be sustained.

Direct Costs declined by 23% or PhP 983 million

Consistent with lower revenues, consolidated direct costs amounted to P3.3 billion, 23% or P983 million lower from the previous year’s level.

Construction direct costs were 27% lower, in line with the revenue performance associated with the tail-end phase in the S-Curve. The application of strategic vendor sourcing as well as push for project-wide use of precast methodologies also contributed to the reduction in costs.

Cost of real estate operations, meanwhile, amounted to P227 million, while landport-related costs reached P71 million, slightly lower by P9 million, due to lower office occupancy.

Gross Profit decreased by 2% or PhP 921 million

Consolidated gross profit reached P921 million, translating to a consolidated gross profit margin of 22%. The construction business contributed P686 million – representing a gross margin of 19% - while real estate development chipped in P170 million and landport operations accounting for the balance of P65 million.

Other Operating Expenses decreased by 10% or PhP 39 million

Other Operating Expenses during the period amounted to P344 million, lower by P39 million as the Group continued to implement more conscious cost reduction measures across the organization.

Finance Costs increased by 5% or PhP 26 million

Finance costs amounted to P591 million, higher by P26 million, mainly attributed to the group's bond issuance last May 2024.

Finance Income decreased by 12% or PhP 23 million

Finance income amounted to P171 million, P23 million lower than the same period in 2024, due to lower cash level and limited income from money market placements.

Others - net increased by 32% or PhP 31 million

Others - net generated an income of P128 million, traced mainly to ancillary services and common area charges offered at PITX, income from scrap sales and gain on disposals of property, plant and equipment.

Tax Expense decreased by 23% or PhP 23 million

Tax expense amounted to P75 million and was P23 million lower than the same period last year due to a temporary difference between the tax reporting and financial reporting bases used in revenue recognition.

Consolidated Net Income increased by 14% or PhP 26 million

Consolidated net income amounted to P209 million – slightly above the net income of P183 million in the same period last year. The performance was driven largely by construction operations, complemented by the initial income contribution from real estate operations.

B. FINANCIAL CONDITION

Review of financial conditions as of March 31, 2025 as compared with financial conditions as of December 31, 2024.

ASSETS**Current Assets increased by PhP 26 million**

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents decreased by 26% or PhP 1.5 billion

The decrease in cash and cash equivalents was due to dividend payments on preferred shares, payment of interest cost, financing granted to related parties, repayments of loans and borrowings, and other working capital requirements.

Trade and Other Receivables increased by 3% or PhP 570 million

The increase in trade and other receivables is related to timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being evaluated by the client whereas some recently billed receivables are not yet due.

Construction Materials decreased by 5% or PhP 49 million

The decrease in inventory levels during the period was due to steady progress accomplishment of construction activities, which increased demand for materials, thereby reducing carrying value of construction materials.

Real estate inventories increased by 2% or PhP 107 million

The increase in real estate inventories is attributed to the costs incurred related to the Group's development and construction of its ongoing and recently launched projects.

Contract Assets increased by 13% or PhP 438 million

The increase in contract assets is attributed to the timing difference on actual billing for portion of work-in-progress completed during the period, which will be billed and evaluated by the client upon completion of the said scope or activity.

Other Current Assets increased by 4% or by PhP 464 million

The increase was mainly due to advances made to its suppliers and subcontractors for its new projects to lock in prices for major construction materials and scope of works. There is also increase in prepaid taxes related to the excess of creditable withholding tax payments over the current tax due.

Non-Current Assets amounted to PhP 16.0 billion

The following discussion provides a detailed analysis of the decrease in non-current assets:

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at PhP 4 million

FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at PhP 4 million for both periods.

Investments in Associates and Joint Ventures decreased by 4% or PhP 9 million

The decrease is a result of share in the net losses taken up on the Group's investment in associates.

Property, Plant and Equipment decreased by 1% or PhP 46 million

The Group recognized depreciation charges on property, plant and equipment and procured certain pre-cast equipment to diversify capacity of Pre-Cast and Construction Solutions unit as well as various construction equipment to support specification requirement of the ongoing projects.

Investment Properties decreased by 1% or PhP 34 million

The decrease is mainly related to the depreciation charges for the period and acquisitions of investment properties.

Deferred tax assets decreased by 15% or PhP 148 million

The decrease was mainly due to temporary differences arising from the difference between the tax reporting base and financial reporting base used in revenue recognition.

Goodwill amounted to PhP 3.8 billion

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. The transaction resulted to a goodwill from acquisition as the consideration paid is higher than the fair value of net identifiable assets acquired.

Other Non-Current Assets decreased PhP 0.8 million

The decrease in Other Non-Current Assets was mainly due to the decrease in the prepaid debt issuance cost.

LIABILITIES AND EQUITY**Current Liabilities decreased by PhP 70 million**

The following discussion provides a detailed analysis of the decrease in current liabilities:

Interest-Bearing Loans and Borrowings-Current decreased by 1% or PhP 162 million

The decrease is mainly due to the repayments of short-term loans during the period.

Trade and Other Payables increased by 6% or PhP 295 million

The increase was mainly due to volume and timing of purchases and payments to suppliers and subcontractors.

Contract liabilities – current decreased by 5% or PhP 210 million

The decrease is mainly related to recoupment of downpayments from client.

Other Current Liabilities increased by 2% or PhP 7 million

Other Current Liabilities increased by 2% or by PhP 7 million. The increase is mainly due to the increase in government tax liabilities of the Group.

Non-Current Liabilities decreased by 1% or PhP 121 million

The following discussion provides a detailed analysis of the decrease in non-current liabilities:

Loans and Borrowings-Non-Current increased by 2% or PhP 367 million

The increase is attributed to the additional drawdown by Cebu2world from its OLSA and availment by PH1 from its development loan to support its ongoing real estate projects.

Contract liabilities –noncurrent decreased by 38% or PhP 336 million

The decrease is related to the reclassification of the non-current portion to the current portion based on the remaining terms of the contract.

Other non-current liabilities decreased by 57% or PhP 152 million

The decrease is mainly related application of the outstanding security deposits from tenants of the landport business.

Equity attributable to Parent decreased by PhP 16 million

The decrease was primarily attributed to the declaration of P108 million cash dividends and effect of derecognition of joint operations in the retained earnings amounting to P127 million, offset by the net profit of P214 million generated in Q1 2025.

C. MATERIAL EVENTS AND UNCERTAINTIES

There are no other material changes in Megawide's financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

Megawide has capital commitment on unutilized preferred shares amounting to P1,231 million for various PPP projects. Other than that, there are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of Megawide.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of Megawide.

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from Megawide's statements of cash flows for the period indicated:

(Amounts in P Millions)	For the three (3) months ended March 31	
	2025 UNAUDITED	2024 UNAUDITED
Cash Flow		
Net cash used in operating activities	(P681)	(P664)
Net cash used in investing activities	(P303)	(P172)
Net cash from (used in) financing activities	(P528)	P1,167

Indebtedness

As of March 31, 2025 Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

E. RISK MANAGEMENT OBJECTIVES AND POLICIES

Megawide is exposed to a variety of financial risks in relation to its financial instruments. Its risk management is coordinated with the Board of Directors, and focuses on actively securing Megawide's short-to-medium term cash flows by minimizing the exposure to financial markets.

Megawide does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk. The detailed discussion of the impact of these risks are discussed in the quarterly financial statements, Exhibit 1.

F. KEY PERFORMANCE INDICATORS

Megawide's top KPIs are as follows:

Amounts in PhP Billion, except Ratios and Earnings per Share	March 31, 2025	March 31, 2024
Current Ratio ¹	1.68	1.33
Net Debt to Equity Ratio ²	1.82	1.49
Book Value Per Share ³	3.33	3.36
Earnings / (loss) per Share ⁴	0.05	0.04
Gross Profit Margin ⁵	0.22	0.18

The KPIs were chosen to provide management with a measure of Megawide's sustainability on financial strength (Current Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit Margin).

PART II—OTHER INFORMATION

There are no any information not previously reported in a report on SEC Form 17-C.

¹ Current Assets/Current Liabilities

² Interest bearing loans and borrowings less cash and cash equivalents and financial assets valued through profit or loss/Stockholder's Equity

³ Total Equity/Issued and Outstanding Shares

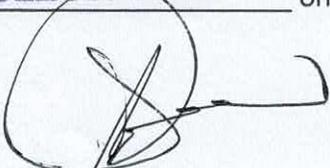
⁴ Net Profit/Issued and Outstanding Shares

⁵ Gross Profit / Revenue

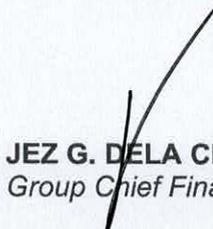
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in QUEZON CITY on MAY 15 2025.

By:



EDGAR B. SAAVEDRA
Chairman and Chief Executive Officer

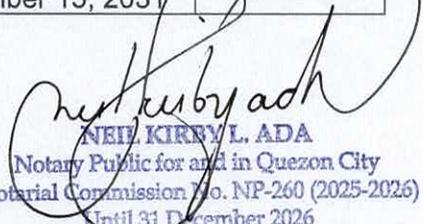


JEZ G. DELA CRUZ
Group Chief Financial Officer

SUBSCRIBED AND SWORN TO before me in _____ on MAY 15 2025,
affiants exhibiting to me their respective valid IDs, as follows:

Name	Competent Evidence of Identity	Date Issued/Date of Expiration	Place Issued
Edgar B. Saavedra	Philippine Passport No. P6875140B	Expiring on: May 26, 2031	DFA Manila
Jez G. Dela Cruz	Philippine Passport No. P8477381B	Expiring on: December 15, 2031	DFA Manila

Doc. No. 523 ;
Page No. 10 ;
Book No. 111 ;
Series of 2025.

NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-260 (2025-2026)
Until 31 December 2026
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 7033091 / 01.06.2025 / Quezon City
IBP No. 499859 / 01.06.2025 / Batangas Chapter

DOCUMENTARY STAMP TAX PAID

Serial No.: 75376110 Date: MAY 15 2025

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

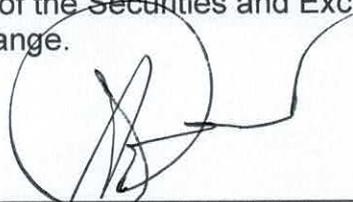
The management of **Megawide Construction Corporation and its Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of March 31, 2025 and December 31, 2024 and for the three months ended March 31, 2025, 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 intend to liquidate the Company or to cease operations, or has no realistic alternative to do so.

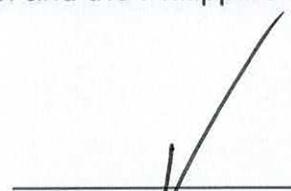
The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Group for the year ended December 31, 2024, in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit. The financial statements as of and for the period ended March 31, 2025, 2024 and 2023 were not audited as allowed under the applicable rules of the Securities and Exchange Commission and the Philippine Stock Exchange.



ENGR. EDGAR B. SAAVEDRA
Chairman of the Board of Directors
Chief Executive Officer, and President
195-661-064-000

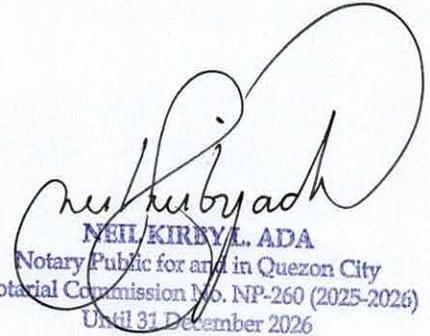


JEZ G. DELA CRUZ
Group Chief Financial Officer
215-462-291-000

SUBSCRIBED AND SWORN TO before me this MAY 15 2025 at QUEZON CITY affiants exhibiting to me their valid Tax Identification Numbers stated above.

Signed this MAY 15 2025 2025.

Doc. No. 522 ;
Page No. 106 ;
Book No. III ;
Series of 2025.



NEIL KIRBY L. ADA
Notary Public for and in Quezon City
Notarial Commission No. NP-260 (2025-2026)
Until 31 December 2026

No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Roll No. 77893
PTR No. 7033091 / 01.06.2025 / Quezon City
IBP No. 499859 / 01.06.2025 / Batangas Chapter

DOCUMENTARY STAMP TAX PAID
Serial No.: 16376109 Date: MAY 15 2025

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2025
(With Comparative Figures as of December 31, 2024)
(Amounts in Philippine Pesos)

			March 31, 2025 (Unaudited)		December 31, 2024 (Audited)
<u>Notes</u>					
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	3	P	4,276,544,271	P	5,780,839,900
Trade and other receivables - net	4		22,598,909,700		22,028,537,213
Construction materials	5		995,446,173		1,044,446,803
Real estate inventories	5		4,632,745,495		4,526,132,734
Contract assets - net	6		3,823,899,802		3,385,788,211
Other current assets	8		10,846,672,237		10,382,431,128
Total Current Assets			47,174,217,678		47,148,175,989
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income			3,544,472		3,544,472
Investments in associates - net	7		246,837,435		256,096,148
Property, plant and equipment - net	9		5,853,052,225		5,898,965,573
Investment properties - net	10		4,833,820,954		4,868,163,697
Goodwill	11		3,797,069,546		3,797,069,546
Deferred tax assets - net			828,689,031		976,399,193
Other non-current assets	8		387,535,986		388,341,413
Total Non-current Assets			15,950,549,649		16,188,580,042
TOTAL ASSETS		P	63,124,767,327	P	63,336,756,031

	Notes	March 31, 2025 (Unaudited)		December 31, 2023 (Audited)
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	P 18,124,208,400	P	18,285,881,142
Trade and other payables	13	5,167,426,753		4,872,693,155
Contract liabilities	15	4,309,386,644		4,519,512,582
Other current liabilities	16	<u>432,455,684</u>		<u>425,709,547</u>
Total Current Liabilities		<u>28,033,477,481</u>		<u>28,103,796,426</u>
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	17,082,782,511		16,716,115,759
Contract liabilities	15	557,134,364		892,644,800
Post-employment defined benefit obligation		364,361,679		364,361,679
Other non-current liabilities	16	<u>115,897,867</u>		<u>267,896,526</u>
Total Non-current Liabilities		<u>18,120,176,421</u>		<u>18,241,018,764</u>
Total Liabilities		<u>46,153,653,902</u>		<u>46,344,815,190</u>
EQUITY				
Equity attributable to shareholders of the Parent Company:				
Capital stock	19.1	2,549,302,137		2,549,302,137
Additional paid-in capital	19.2	18,460,789,667		18,460,789,667
Deposit on future stock subscription	19.3	90,233,592		90,233,592
Treasury shares	19.4	(11,237,703,576 )	(	11,237,703,576)
Revaluation reserves - net		144,140,344		139,520,464
Retained earnings		<u>6,439,897,550</u>		<u>6,460,568,054</u>
Total equity attributable to shareholders of the Parent Company		<u>16,446,659,714</u>		<u>16,462,710,338</u>
Non-controlling interests	19.5	<u>524,453,711</u>		<u>529,230,503</u>
Total Equity	19	<u>16,971,113,425</u>		<u>16,991,940,841</u>
TOTAL LIABILITIES AND EQUITY		<u>P 63,124,767,327</u>	P	<u>63,336,756,031</u>

See Selected Notes to Interim Condensed Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025, 2024 AND 2023
(UNAUDITED)
(Amounts in Philippine Pesos)

	Notes	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUES	17			
Construction operations	17.1	P 3,668,158,443	P 4,948,228,039	P 4,266,354,926
Landport operations	17.2	136,205,514	107,185,122	90,155,574
Real estate operations	17.3	<u>396,503,623</u>	<u>146,885,959</u>	<u>-</u>
		<u>4,200,867,580</u>	<u>5,202,299,120</u>	<u>4,356,510,500</u>
DIRECT COSTS	18			
Construction operations	18.1	2,982,594,006	4,103,896,515	3,863,475,668
Landport operations	18.2	70,993,439	79,710,497	90,828,627
Real estate operations	18.3	<u>226,685,634</u>	<u>79,587,578</u>	<u>-</u>
		<u>3,280,273,079</u>	<u>4,263,194,590</u>	<u>3,954,304,295</u>
GROSS PROFIT		<u>920,594,501</u>	<u>939,104,530</u>	<u>402,206,205</u>
INCOME AND EXPENSES				
Finance costs	(	590,644,739)	(564,956,958)	(458,774,008)
Other operating expenses	(	343,789,073)	(383,087,683)	(413,469,414)
Finance income		170,935,738	194,181,411	280,996,733
Others - net		<u>127,577,329</u>	<u>96,518,504</u>	<u>202,010,194</u>
	(	<u>635,920,745</u>)	(657,344,726)	(389,236,495)
PROFIT BEFORE TAX		284,673,756	281,759,804	12,969,710
TAX EXPENSE		<u>75,453,584</u>	<u>98,339,564</u>	<u>20,356,599</u>
NET PROFIT (LOSS)		<u>P 209,220,172</u>	<u>P 183,420,240</u>	(<u>P 7,386,889</u>)
Net Profit (Loss) Attributable To:				
Shareholders of the Parent Company:		213,996,964	188,375,613	(7,124,340)
Non-controlling interests:	(	<u>4,776,792</u>)	(4,955,373)	(262,549)
		<u>P 209,220,172</u>	<u>P 183,420,240</u>	(<u>P 7,386,889</u>)
Earnings (loss) per Share	22	<u>P 0.05</u>	<u>P 0.04</u>	(<u>P 0.06</u>)

See Selected Notes to Interim Condensed Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025, 2024 AND 2023
(UNAUDITED)
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
NET PROFIT (LOSS)		P <u>209,220,172</u>	P <u>183,420,240</u>	(P <u>7,386,889</u>)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently				
profit or loss				
Foreign currency translation adjustment		4,619,880	(53,277)	(3,722,531)
Tax income		<u>-</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income (Loss) – net of tax		<u>4,619,880</u>	(<u>53,277</u>)	(<u>3,722,531</u>)
TOTAL COMPREHENSIVE INCOME (LOSS)		P <u>213,840,052</u>	P <u>183,366,963</u>	(P <u>11,109,420</u>)
Total Comprehensive Income (Loss) Attributable To:				
Shareholders of the Parent Company:		218,616,844	188,322,336	(10,846,871)
Non-controlling interests:		(<u>4,776,792</u>)	(<u>4,955,373</u>)	(<u>262,549</u>)
		P <u>213,840,052</u>	P <u>183,366,963</u>	(P <u>11,109,420</u>)

See Selected Notes to Interim Condensed Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025, 2024 AND 2023
(UNAUDITED)
(Amounts in Philippine Pesos)

Attributable to Shareholders of the Parent Company (See Note 19)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit on future stock subscription	Treasury Shares	Revaluation Reserves	Other Reserves	Retained Earnings	Total	Non-controlling Interests (See Note 19)	Total
Balance at January 1, 2025	P 2,399,426,127	P 149,876,010	P 18,460,789,667	P 90,233,592	(P 11,237,703,576)	P 139,520,464	P -	P 6,460,568,054	P 16,462,710,338	P 529,230,503	P 16,991,940,841
Effect of derecognition of joint operations	-	-	-	-	-	-	-	(127,005,765)	(127,005,765)	-	(127,005,765)
Declaration of cash dividends	-	-	-	-	-	-	-	(107,661,703)	(107,661,703)	-	(107,661,703)
Total comprehensive income (loss) for the period	-	-	-	-	-	4,619,880	-	213,996,984	218,616,864	(4,776,792)	213,840,052
Balance at March 31, 2025	P 2,399,426,127	P 149,876,010	P 18,460,789,667	P 90,233,592	(P 11,237,703,576)	P 144,140,344	P -	P 6,439,897,550	P 16,446,659,714	P 524,453,711	P 16,971,113,425
Balance at January 1, 2024	P 2,399,426,127	P 145,876,010	P 18,460,789,667	-	(P 11,237,703,576)	P 175,787,119	P -	P 6,471,907,771	P 16,416,083,118	P 516,690,629	P 16,932,773,747
Declaration of cash dividends	-	-	-	-	-	-	-	(107,661,703)	(107,661,703)	-	(107,661,703)
Total comprehensive income (loss) for the period	-	-	-	-	-	(53,277)	-	188,375,613	188,322,336	(4,955,373)	183,366,963
Balance at March 31, 2024	P 2,399,426,127	P 145,876,010	P 18,460,789,667	-	(P 11,237,703,576)	P 175,733,842	P -	P 6,552,621,681	P 16,496,743,751	P 511,735,256	P 17,008,479,007
Balance at January 1, 2023	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P 2,250,000	(P 8,615,690,576)	P 149,758,638	-	P 8,612,106,239	P 19,664,332,055	P 2,548,533	P 19,666,880,588
Declaration of cash dividends	-	-	-	-	-	-	-	(1,115,862,216)	(1,115,862,216)	-	(1,115,862,216)
Total comprehensive income (loss) for the period	-	-	-	-	-	(3,722,531)	-	(7,124,340)	(10,846,871)	(262,549)	(11,109,420)
Balance at March 31, 2023	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P 2,250,000	(P 8,615,690,576)	P 146,036,107	-	P 7,489,119,683	P 18,537,622,968	P 2,285,984	P 18,539,908,952

See Selected Notes to Interim Condensed Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025, 2024 AND 2023
(UNAUDITED)
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	P	284,673,756	P 281,759,804	P 12,969,710
Adjustments for:				
Finance costs		590,644,739	564,956,958	458,774,008
Depreciation and amortization	8, 9	240,344,952	413,974,136	426,635,893
Finance income	(	170,935,738	(194,181,411)	(280,996,733)
Gain on disposals of property, plant and equipment	9	(2,203,043)	(6,467,488)	(6,110,706)
Equity in net losses (profit) on associates and joint ventures	7	9,258,713	880,101	(395,897)
Operating profit before working capital changes		951,783,379	1,060,922,100	610,876,275
Decrease (increase) in trade and other receivables	(	384,305,581	(1,123,255,502)	482,099,514
Decrease (increase) in construction materials		49,000,630	312,405,912	(85,487,716)
Increase in real estate inventories	(	106,612,761	(144,729,592)	-
Increase in contract assets	(	580,164,506	(183,955,835)	(295,106,089)
Increase in other current assets	(	388,773,307	(648,780,593)	(368,551,179)
Decrease in other non-current assets		-	24,043,732	-
Decrease in contract liabilities	(	454,677,268	(393,437,638)	(441,311,334)
Increase (decrease) in trade and other payables		377,796,540	393,035,362	(78,459,087)
Increase (decrease) in other liabilities	(	145,252,522	39,676,267	34,249,217
Increase in post-employment defined benefit obligation		-	-	1,688,868
Net Cash Used in Operating Activities	(	681,205,396	(664,075,787)	(140,001,531)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment, and computer software license	8, 9	(167,181,903)	(227,539,926)	(471,073,773)
Interest received		31,191,829	32,001,882	128,079,985
Acquisitions of investment properties	10	(2,253,044)	(16,269,747)	(2,746,752)
Investment in an associate		-	-	(499,999,998)
Proceeds from sale of property, plant and equipment	9	8,647,280	38,387,963	8,148,100
Financing granted to related parties	20	(172,983,643)	(3,804,495)	-
Financing collected from related parties	20	-	5,074,466	-
Net Cash Used in Investing Activities	(	302,579,481)	(172,149,857)	(837,592,438)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans and borrowings		5,964,297,644	7,590,795,774	550,000,000
Repayment of loans and borrowings	(	5,766,315,295	(5,782,921,097)	(1,323,483,743)
Interest paid	(	618,577,260	(562,461,251)	(394,364,264)
Dividends paid	(	107,661,703	(78,020,953)	(1,115,862,216)
Net Cash From (Used in) Financing Activities	(	528,256,614)	1,167,392,473	(2,283,710,223)
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		7,745,862	3,060,602	(21,570,461)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(	1,504,295,629)	334,227,431	(3,282,874,653)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		5,780,839,900	4,878,885,375	15,758,197,239
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3	P 4,276,544,271	P 5,213,112,806	P 12,475,322,586

See Selected Notes to Interim Condensed Consolidated Financial Statements.

Megawide Construction Corporation and Subsidiaries

(A Subsidiary of Citicore Holdings Investment, Inc.)

Selected Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024, 2023 and 2022

(With comparative figures as of December 31, 2024)

(All amounts are in Philippine Peso unless otherwise stated)

1 General information

1.1 Incorporation and operations

Megawide Construction Corporation (Megawide or the “Parent Company”) was incorporated in the Philippines on July 28, 2004 and is engaged in the general construction business, including constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs other allied construction business like the construction and sale of precast items, concrete production, and purchase sale and/or lease of formworks system and construction equipment.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Securities Exchange Commission (SEC) approved the Parent Company’s application for the listing of its common stock. The approval covered the initial public offering (IPO) of 292.0 million unissued common shares of the Parent Company at P7.84 offer price per share and the listing of those shares in PSE’s main board on February 18, 2012. On December 3, 2014, the Parent Company made a primary offer of 40.0 million preferred shares at an offer price of P100.0 per share. These preferred shares are also listed in the PSE (Note 20.1). Moreover, the Parent Company also made follow-on offerings in 2020, 2021, and 2023 (Note 20.1).

The Parent Company remains a subsidiary of Citicore Holding Investment, Inc. (Citicore) which owns and controls 35.41% of the issued and outstanding capital stock of the Parent Company as of December 31, 2024 and 2023, because Citicore still directs the overall business operations of the Parent Company through its Chief Executive Officer and President, who is also the President of Citicore. Moreover, Citicore also appoints majority of the board members and remains as the single largest stockholder controlling the Board of Directors (BOD).

Citicore is a company incorporated in the Philippines and is engaged in the business of a holding company through buying and holding shares of other companies. The registered address of Citicore and the Parent Company, which is also their principal place of business, is at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

1.2 Subsidiaries, associates and joint arrangements

The Parent Company holds ownership interest in the following subsidiaries, associates and joint arrangements (together with the Parent Company, collectively hereinafter referred to as the Group):

Subsidiaries/Associates/Joint Operations/Joint Ventures	Notes	Percentage of effective ownership		
		2025	2024	2023
Subsidiaries:				
PH1 World Developers, Inc. (PH1)	a	100%	100%	100%
PH1 World Landscapes Inc. (PH1-WL)	a	100%	100%	100%
Famtech Properties, Inc. (Famtech)	a	49%	49%	49%
PH1Vel Properties, Inc. (PH1-VEL)	a	100%	100%	-
Megawatt Clean Energy, Inc. (MCEI)	b	70%	70%	70%
Globemercants, Inc. (GMI)*		-	-	-
Megawide Land, Inc. (MLI)	c	100%	100%	100%
Megawide Cold Logistics, Inc. (MCLI)	c	60%	60%	60%
Megawide Construction (BVI) Corporation (MCBVI)	d	100%	100%	100%
Megawide Construction DMCC (DMCC)	d	100%	100%	100%
Megawide Infrastructure DMCC (MW Infrastructure)	d	100%	100%	100%
MWM Terminals, Inc. (MWM TI)	e	100%	100%	100%
Megawide Terminals, Inc. (MTI)	f	100%	100%	100%
Megawide International Limited (MIL)	g	100%	100%	100%
Megawide Construction (Singapore) Pte. Ltd. (MC-SG)	g	100%	100%	100%
Cebu2World Development, Inc. (CDI)	h	100%	100%	100%
Wide-Horizons, Inc. (WHI)	i	100%	100%	100%
Tiger Legend Holdings Limited (TLH)	j	100%	100%	100%
Megawide OneMobility Corporation (MOMC)	k	80%	80%	80%
Tunnel Prefab Corporation (TPC)	l	90%	90%	90%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	r	100%	-	-
Accounted for as Asset Acquisition - Altria East Land, Inc. (Altria)	m	100%	100%	100%
Associates:				
Megawide World Citi Consortium, Inc. (MWCCI)	n	51%	51%	51%
Citicore Megawide Consortium, Inc. (CMCI)	n	10%	10%	10%
GMR Megawide Cebu Airport Corporation (GMCAC)*	o	-	-	33%
Evolution Data Centres Philippines, Inc. (EDC)	p	49%	49%	49%
Joint Operations:				
Megawide GISPL Construction Joint Venture (MGCJV)	q	50%	50%	50%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	r	-	50%	50%
HDEC- Megawide-Dongah JV (HMDJV)	s	35%	35%	35%
Tokyu-Tobishima-Megawide Joint Venture (TTM-JV)	t	30%	30%	30%
Joint Ventures:				
Mactan Travel Retail Group Corp. (MTRGC)	u	-	-	-
Select Service Partners Philippines Corp. (SSPPC)	v	-	-	-

*No longer subsidiaries of the Group in 2025 and 2024

(a) PH1

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction.

PH1 was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 49% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest [Note 29.1(h)]. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

PH1 has a wholly owned subsidiary, PH1-VEL. PH1-VEL, which was registered on March 1, 2024, is engaged in real estate development business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112. As at March 31, 2025, PH1-VEL has not yet started operations.

(b) MCEI

On September 4, 2014, the Company acquired 70% of the issued and outstanding capital stock of MCEI. MCEI was incorporated to engage in the development of clean or renewable energy sources for power generation. MCEI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. As of March 31, 2025, MCEI has not yet started operations.

(c) MLI

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. MLI has not commenced its operations as at March 31, 2025.

MLI has a 60% ownership interest in MCLI, a company incorporated in the Philippines and was established to engage in cold and dry storage business. The registered office address of MCLI, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The entity did not engage in any commercial activities during the period ending March 31, 2025. Consequently, there were no revenue-generating operations or transactions recorded for this period

(d) MCBVI

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2nd floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW Infrastructure have not commenced operations as at March 31, 2025.

(e) *MWMTI*

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr. In November 2018, MWMTI commenced commercial operations.

MWMTI is effectively owned by the Company and MTI at 51% and 49%, respectively. However, the Company and MTI are exercising joint control over MWMTI. In 2018, the Company and MTI infused additional P542.5 million and P526.6 million, respectively, that is intended to be converted into capital stock. The same has been converted to capital stock in 2020 upon approval from SEC of the increase in authorized capital stock which was filed in 2019. The Company and MTI retained joint control over MWMTI after the stock issuance.

In 2022, the Company infused cash amounting to P350.0 million to MWMTI that is intended to be converted to capital stock relative to MWMTI's planned increase in capital stock.

(f) *MTI*

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo Street Brgy. Valencia, Quezon City.

(g) *MIL*

MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross Street #24-03/04 Manulife Tower Singapore. MIL and MC-SG has not commenced operations as of March 31, 2025.

(h) *CDI*

CDI, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust. The Parent Company owns 100% interest over CDI. In 2023, the Parent Company infused cash amounting to P252.1 million to CDI, which was recognized as part of investment in CDI.

(i) *WHI*

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of March 31, 2025, WHI has not yet started commercial operations.

(j) *TLH*

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of March 31, 2025.

(k) MOMC

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale. In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of March 31, 2025.

(l) TPC

In 2022, the Parent Company acquired 90% ownership interest in TPC. TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. TPC has not yet started commercial operations as of March 31, 2025.

(m) Altria

On December 26, 2012, pursuant to a memorandum of agreement dated December 17, 2012, the Parent Company acquired 100% ownership interest in Altria. Altria is a company incorporated in the Philippines and holds an investment property in the form of land. The registered office of Altria, which is also its principal place of business, is located at Coastal Road Bangiad, San Juan, Taytay, 1920 Rizal. As of March 31, 2025, Altria has not started operations and its assets mainly pertain to the land where the Company's precast and batching facilities are constructed.

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business.

(n) MWCCI and CMCI

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in MWCCI and CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022.

As of March 31, 2025, the Company owns 10% interest in CMCI.

(o) *GMCAC*

GMCAC was incorporated in the Philippines and registered in the SEC in 2014. GMCAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMCAC was established for the purpose of implementing the provisions of the Concession Agreement that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

On October 30, 2024, in accordance with the agreement dated September 2, 2022 among the Parent Company, GAIBV, and AIC, the Parent Company opted to exchange the rest of its 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock in favor of AIC, for the total amount of P7,763.2 million. On the same date, the Company assigned, sold, transferred, and conveyed, absolutely and irrevocably unto AIC all its remaining 2,643.3 million outstanding capital stock in GMCAC to AIC for the total price of P7,763.2 million.

(p) *EDC*

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2024 and 2023, the Parent Company has 49% ownership interest in EDC [Note 8.1(b)]. EDC has not yet started commercial operations as of March 31, 2025.

(q) *MGCJV*

MGCJV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited - Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group. MGJCV began to operate in 2015.

(r) *MGCJVI*

MGCJVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCJVI was established to provide general construction business including construction, improvement and repair of Clark Airport project. MGJCVI began to operate in 2018.

On January 9, 2025, the Parent Company, executed a share purchase agreement for the acquisition of the outstanding capital stock of Megawide GMR Construction JV, Inc. ("JV"), from GMR Global Pte. Ltd. (formerly GMR Holdings Overseas Singapore PTE Limited ("GHOSPL") and GMR Infrastructure (Singapore) Pte Limited ("GISPL"). The transaction allows the Parent Company to wholly own its existing subsidiary, Megawide GMR Construction JV, Inc., the developer of the Clark International Airport Project, where it can leverage its engineering and construction expertise; and at the same time strengthen its balance sheet.

(s) *HMDJV*

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

(t) *TTM-JV*

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Parent Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

(u) *MTRGC*

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport (Note 8.3). It started operations in 2018.

(v) *SSPPC*

SSPPC was incorporated and registered with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto (Note 8.3). It started operations in 2018.

1.3 Approval of the consolidated financial statements

The interim condensed consolidated financial statements of the Group as of and for the three months ended March 31, 2025 (including the comparative consolidated financial statements as of December 31, 2024 and interim condensed consolidated financial statements for the three months ended March 31, 2024 and 2023) were authorized for issue by the Parent Company's BOD on May 15, 2025.

2 Segment reporting

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

2.1 Business segments

- (a) *Construction operations* - principally refers to general construction business, including constructing and sale of precast items and concrete production and rental of construction equipment.
- (b) *Landport operations* - principally relates to the development and implementation of the PITX Project.
- (c) *Real estate operations* - mainly pertains to the to the development and sale of residential condominium units.

Other operations of the Group comprise the operations and financial control groups. These segments are also the basis of the Group in reporting to its executive committee for its strategic decision-making activities. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

2.2 Segment assets and liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

2.3 Analysis of segment information

Presented below are the relevant operating segment information about the results of operations and financial position of the Group's business segments for the three months ended March 31, 2025, 2024 and 2023 and financial position as of March 31, 2025 and December 31, 2024 and 2023 (amounts in thousands).

	Construction			Landport			Real Estate			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2025	2024	2023	
Results of operations												
Sales to external customers	3,668,158	4,948,228	4,266,355	136,206	107,185	90,156	396,504	146,886	4,200,868	5,202,299	4,356,511	
Intersegment sales	472,638	19,164	3,833	-	-	-	-	-	472,638	19,164	3,833	
Segment revenues	4,140,796	4,967,392	4,270,188	136,206	107,185	90,156	396,504	146,886	4,673,506	5,221,463	4,360,344	
Cost and other operating expenses:												
Cost excluding depreciation and amortization	3,160,797	2,814,276	3,527,489	35,523	30,410	33,681	226,686	79,588	3,423,006	2,924,274	3,561,170	
Depreciation and amortization	188,606	1,358,521	362,898	36,901	50,736	60,280	10,212	3,094	235,719	1,412,351	423,178	
Interest income	(202,635)	(192,265)	(280,991)	(623)	(917)	(3)	(45)	(675)	(203,303)	(193,857)	(280,994)	
Interest expense	497,242	497,743	399,071	57,313	60,353	59,350	35,381	435	589,936	558,531	458,421	
Equity share in profit or loss and joint ventures	9,259	880	(396)	-	-	-	-	-	9,259	880	(396)	
Other income	(99,104)	(40,441)	(85,104)	(21,587)	(7,699)	(33,735)	519	(14,403)	(120,172)	(62,543)	(118,839)	
Tax expense (income)	77,884	106,437	12,479	(1,889)	(12,547)	(15,005)	-	-	75,995	93,890	(2,526)	
Other expenses	123,520	129,567	309,398	44,342	41,485	33,758	110,951	104,847	278,813	275,899	343,156	
	3,755,569	4,674,718	4,244,844	149,980	161,821	138,326	383,704	172,886	4,289,253	5,009,425	4,383,170	
Segment net profit (loss)	385,227	292,674	25,344	(13,774)	(54,636)	(48,170)	12,800	(26,000)	384,253	212,038	(22,826)	
Consolidated statements of financial position												
Total segment assets	57,019,626	57,250,463	59,670,393	5,333,169	5,642,973	6,314,353	7,043,980	6,524,996	69,396,775	69,418,432	70,834,908	
Total segment liabilities	39,814,710	40,196,107	43,460,554	4,168,269	4,464,299	4,879,962	4,625,501	4,248,198	48,608,480	48,908,604	51,643,934	
Capital expenditures	102,907	711,310	667,594	-	200	6,746	2,864	6,537	105,772	718,047	674,340	
Investment in associates and joint ventures accounted for by the equity method	246,837	256,096	257,239	-	-	-	-	-	246,837	256,096	257,239	

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its interim condensed consolidated financial statements for the three months ended March 31, 2025, 2024 and 2023 (amounts in thousands).

	2025	2024	2023
Continuing operations			
Revenues			
Segment revenues	4,673,506	5,221,463	4,360,344
Intersegment sales	(472,638)	(19,164)	(3,833)
Revenues as reported in the consolidated statements of income	4,200,868	5,202,299	4,356,511
Profit or loss			
Segment net profit	384,253	212,038	(22,826)
Other unallocated (charges) income - net	(175,033)	(28,618)	22,563
Net profit (loss) from continuing operations as reported in the consolidated statements of income	209,220	183,420	(263)
		2025	2024
Assets			
Total segment assets		69,396,775	69,418,432
Elimination of intercompany accounts		(18,654,928)	(16,188,181)
Other unallocated assets		12,382,920	10,106,505
Total assets as reported in the consolidated statements of financial position		63,124,767	63,336,756
Liabilities			
Total segment liabilities		48,608,480	48,908,604
Elimination of intercompany accounts		(6,391,467)	(4,846,653)
Other unallocated liabilities		3,936,641	2,282,864
Total liabilities as reported in the consolidated statements of financial position		46,153,654	46,344,815

2.4 Other segment information

The Group has not identified any segment based on geographical location since the Group's operation is concentrated in one country of location.

3 Cash and cash equivalents

Cash and cash equivalents as of March 31, 2025 and December 31, 2024 consist of:

	2025	2024
Cash on hand	6,356,156	6,401,063
Cash in banks	3,969,611,679	5,044,134,713
Cash equivalents	300,576,436	730,304,124
	4,276,544,271	5,780,839,900

Cash in banks generally earn interest based on daily bank deposit rates.

Cash equivalents consist of investments in short-term placements, which have an average maturity of 30 to 90 days and earn annual average effective interest of 5% to 6% in 2025 and 2024.

4 Trade and other receivables

Trade and other receivables as of March 31, 2025 and December 31, 2024 consist of:

	Notes	2025	2024
Contract receivables			
Third parties		4,785,780,411	4,337,794,312
Related parties	21.1	1,686,822,977	1,431,387,389
		6,472,603,388	5,769,181,701
Retention receivables			
Third parties		3,373,935,377	3,408,435,268
Related parties	21.1	764,177,347	753,260,102
		4,138,112,724	4,161,695,370
Real estate sales receivables		168,881,972	219,522,138
Advances to:			
Related parties	21.4	6,525,521,278	6,443,714,428
Officers and employees	21.3	93,512,550	80,938,542
		6,619,033,828	6,524,652,970
Rental receivables:			
Lease receivable - per contract		1,063,486,856	1,153,989,791
Lease receivable - effect of straight-line method		83,229,686	97,642,793
		1,146,716,542	1,251,632,584
Accrued interest receivables	21.4	3,112,175,833	2,988,194,665
Other receivables	21.2, 21.5	1,213,284,939	1,385,557,311
		22,870,809,226	22,300,436,739
Allowance for impairment		(271,899,526)	(271,899,526)
		22,598,909,700	22,028,537,213

Retention receivables pertain to progress billings which are withheld by the project owners equivalent to 5.0% or 10.0% as provided in the respective construction contract of each project. These will only be collected after a certain period of time upon acceptance by project owners of the certificate of completion.

Real estate sales pertain to the balance of uncollected portion of the contract price of completed units sold that are subject for collection from customers through their respective bank financing, which is normally completed within one to two months.

Rental receivables include those unpaid rentals from third party tenants of the Group, and the related rent receivables arising from the difference between the cash basis rent income and the straight-line rent income of all lease contracts with fixed payments as of the end of the reporting period.

Trade and other receivables except certain advances to related parties do not bear any interest.

All receivables, except advances to officers and employees which are subject to liquidation, are subject to credit risk exposure. The Group's trade and other receivables have been reviewed for impairment using the provision matrix as determined by the management.

The total allowance for impairment for contract receivables provided by the Group amounted to P271.9 million as of March 31, 2025 and December 31, 2024.

A reconciliation of the allowance for impairment at the beginning and end of 2025 and 2024 is shown below.

	2025	2024	2023
Balance at beginning of year	271,899,526	262,111,638	226,842,662
Additional ECL for the year	-	45,056,864	35,268,976
Write off	-	(35,268,976)	-
Balance at end of year	271,899,526	271,899,526	262,111,638

In 2024, the Company wrote off contract receivables which were previously provided with allowance for impairment since the management assessed that there is no reasonable expectation of recovery for these receivables.

5 Inventories

5.1 Real estate inventories

As of March 31, 2025 and December 31, 2024, real estate inventories consist of the following:

	2025	2024
Land and land development	2,447,884,560	2,353,740,758
Construction costs	2,184,860,935	2,172,391,976
	4,632,745,495	4,526,132,734

Construction costs include actual costs of construction and related engineering, architectural and other consultancy fees, and capitalized borrowing costs. In 2025 and 2024, the Group has not capitalized any borrowing costs in relation to the development and construction of its residential condominium projects as a result of its adoption of PIC Q&A 2018-12. All cost incurred relating to the Group's development and construction of its residential condominium projects are recorded under real estate inventories account. The cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized. There were no liens and encumbrances attached to these inventories.

There were no inventory write-downs recognized in relation to real estate inventories.

5.2 Construction materials

As of March 31, 2025 and December 31, 2024, construction materials were stated at cost which is lower than net realizable value. This account consists of the following:

	2025	2024
Consumables and spare parts	368,795,389	387,185,164
Materials issued to project sites	397,545,766	417,369,162
Hardware	71,861,778	75,445,124
Mechanical electrical plumbing and fireproof materials	47,616,210	49,990,566
Rebars	29,436,409	30,904,239
Precast	29,100,172	30,551,235
Others	51,090,449	53,001,313
	995,446,173	1,044,446,803

Materials issued to project sites pertain to various construction materials delivered to project warehouses and are yet to be installed or used by its subcontractors. The Parent Company recognizes revenue from these construction project contracts over time during the course of the construction.

Others pertain to construction materials which include collapsible container office, sand, cement, painting materials, nails and adhesive items. No liens and encumbrances are attached to these inventories.

6 Contract assets

The breakdown of contract assets as of March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Construction contracts	4,180,507,035	3,868,201,016
Real estate operations	730,808,069	605,002,497
	4,911,315,104	4,473,203,513
Allowance for impairment	(1,087,415,302)	(1,087,415,302)
	3,823,899,802	3,385,788,211

The significant changes in the contract assets balances during the reporting periods are as follows:

	2025	2024
Balance at beginning of year	4,560,933,274	6,727,603,916
Increase as a result of changes in measurement of progress	2,039,379,652	6,449,169,751
Decrease as a result of reversal to trade receivables	(1,688,997,822)	(6,282,648,038)
Write-off	-	(2,420,922,116)
	4,911,315,104	4,473,203,513
Allowance for impairment	(1,087,415,302)	(1,087,415,302)
Balance at end of year	3,823,899,802	3,385,788,211

As of March 31, 2025 and December 31, 2024, the allowance for impairment on contract assets amounted to P1,087.4 million. The Group did not recognize any additional allowance during the year.

Contract assets pertains to the gross amount due from customers for contract works of all contracts in progress and the portion arising from the real estate operations, which are not yet billed. Contract assets also include the cost of the landport area of the PITX Project will be recovered through the Grantor payments. In 2024, the Company reclassified the contract asset account to appropriate receivable accounts upon commencement of the collection from the Department of Transportation which is expected to continue in subsequent years.

The Group recognizes contract assets, due to timing difference of billings and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Changes in the contract assets are recognized by the Group when a right to receive payment is already established.

In 2024, the Group wrote-off certain contract assets representing receivables related to projects that were already completed in prior years and were undergoing the close-out process. The Company pursued the collectability of such accounts and engaged in several discussions with these counterparties for the past 18-24 months. Determination of allowance for impairment losses is based on individual assessment of impaired contract asset.

7 Investments in associates and joint venture and acquisition of assets

The Group's associates and joint venture are not listed in the local stock exchange; hence, the fair value of the shares cannot be determined reliably. However, management believes that the carrying amounts of the investments are fully recoverable based on either the prospect of the business or the recoverable amount from the net assets of these associates and joint ventures.

7.1 Investment in associates

The components of the carrying values of this account as of March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Acquisition cost:		
CMCI	200,000,000	200,000,000
EDC	100,996,000	100,996,000
Equity share in net losses:	300,996,000	300,996,000
Balance at beginning of year	(44,899,852)	(4,452,344)
Equity in net loss for the year	(9,258,713)	(40,447,508)
Balance at end of year	(54,158,565)	(44,899,852)
	246,837,435	256,096,148

These associates do not have any other comprehensive income or loss in 2025 and 2024.

(a) CMCI

The Parent Company, together with Citicore, formed CMCI as a consortium for the construction of classrooms in Regions 3 and 4 under the build-lease-transfer Public Private Partnership (PPP) agreement with the Philippine Department of Education (DepEd) ownership interest.

As of March 31, 2025 and December 31, 2024, the Parent Company owns 10% interest in CMCI.

(b) EDC

In 2023, the Parent Company subscribed to 616,910 new shares or equivalent to 49% ownership interest in EDC for a total subscription price of P61.7 million. The rights and powers of the Parent Company over the management and control of EDC are exercised through a seat in the BOD of EDC. Taking this into consideration, the Parent Company concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate.

As of March 31, 2025 and December 31, 2024, the Parent Company did not receive any dividends from its associates.

7.2 Interest in joint operations

As discussed in Note 1.2(q), 1.2(s), and 1.2(t), MGCJV shall undertake the construction works for the renovation and expansion of the MCIA Project in Cebu, HMDJV shall undertake the construction works of the Malolos-Clark Railway, while TTM-JV shall undertake the construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are accounted for as joint arrangement - joint operation, as such, the Parent Company accounts for its interest in the relevant assets, liabilities, revenues, and expenses of MGCJV, HMDJV and TTM-JV

As of March 31, 2025 and December 31, 2024, the relevant financial information of the Group's interest in MGCJV, HMDJV and TTM-JV which are included in the appropriate accounts in the Group's consolidated statements of financial position and consolidated statements of income are presented below.

	Amounts
March 31, 2025	
Assets	
Cash and cash equivalents	1,766,863,000
Trade and other receivables	2,357,047,270
Other current assets	359,288,643
Property, plant, and equipment - net	34,637,763
	4,517,836,676
Liabilities	
Trade and other payables	2,762,512,349
Due to related parties	14,518,371
Other liabilities	397,359,660
	3,174,390,380
Revenues and expenses	
Contract revenues	559,077,400
Contract costs	(401,933,052)
Other operating expenses	-
Finance income	16,096,595
	173,240,943
December 31, 2024	
Assets	
Cash and cash equivalents	1,928,516,053
Trade and other receivables	2,219,461,855
Other current assets	402,771,559
Property, plant, and equipment - net	88,855,947
	4,639,605,414
Liabilities	
Trade and other payables	2,929,929,086
Due to related parties	19,217,766
Other liabilities	286,470,494
	3,235,617,346
March 31, 2024	
Revenues and expenses	
Contract revenues	263,337,421
Contract costs	(168,051,583)
Other operating expenses	-
Finance cost	(19,867,133)
	75,418,705

8 Other assets

Other assets as of March 31, 2025 and December 31, 2024 consist of:

	Notes	2025	2024
Current			
Advances to contractors and suppliers	8.1	7,394,972,922	7,281,483,040
Prepaid taxes	8.4	1,391,452,241	1,276,841,169
Deferred input VAT	8.2	341,555,003	334,272,762
Input VAT	8.2	812,873,800	753,692,675
Deferred fulfilment costs - net	8.6	418,393,292	306,704,966
Refundable security and bond deposits		211,318,158	178,860,542
Prepaid insurance		142,803,738	138,130,459
Deferred commission		51,051,797	44,067,729
Prepaid rent		17,123,133	37,259,564
Prepaid debt issuance cost		11,849,770	8,604,300
Prepaid subscription		24,034,478	1,246,070
Miscellaneous		29,243,905	21,267,852
		10,846,672,237	10,382,431,128
Non-current			
Deposits for condominium units	8.3	288,779,900	286,215,614
Refundable security deposits		44,423,563	45,339,712
Prepaid debt issuance cost		28,080,685	33,477,230
Computer software license - net	8.5	26,206,275	23,304,426
Deferred input VAT	8.2	41,132	-
Miscellaneous		4,431	4,431
		387,535,986	388,341,413
		11,234,208,223	10,770,772,541

8.1 Advances to contractors and suppliers

Advances to contractors and suppliers pertain to down payments made by the Group based on a certain percentage of the contract price. The initial payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the contractors and supplier. These advances are classified as current since it would be applied as payments for subcontractors. This also includes materials and supplies provided by the Group to subcontractors which will be deducted to the progress billings of the subcontractors upon installation. The risk of loss on these materials and supplies is borne by the subcontractors.

Impairment of advances to contractors and suppliers was assessed through determining the financial position of the contractors and suppliers on their capacity to comply according to their performance obligation. The Group deemed the advances to be recouped by qualifying contractors and suppliers through their work progress as well as using outstanding liability of the Group to the contractors and suppliers as leverage. As at March 31, 2025 and December 31, 2024, there were no impairment losses on advances recognized.

8.2 Input VAT

Input VAT under other current assets pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months. Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods exceeding P1.0 million.

Input VAT arising from the purchase of capital goods exceeding P1.0 million starting January 1, 2022 are not amortized. The related input VAT on purchase of capital goods exceeding P1.0 million shall be allowed as credit against output tax outright pursuant to Republic Act (R.A.) No. 10963, known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The balance of deferred input VAT non-current pertains to unamortized portion of purchases of capital goods exceeding P1.0 million prior to January 1, 2022.

8.3 Deposits for condominium units

Deposits for condominium units represent initial downpayments made for the purchase of condominium units. These will be reclassified to investment property upon execution of contract to sell and deed of sale. As of March 31, 2025 and December 31, 2024, there are no contracts to sell executed for these properties yet.

8.4 Prepaid taxes

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax due during the year and creditable withholding taxes.

8.5 Computer software license

The details of this account as of March 31, 2025, and December 31, 2024 are presented below.

	2025	2024
Cost	196,025,847	189,446,231
Accumulated amortization	(169,819,572)	(166,141,805)
	26,206,275	23,304,426

A reconciliation of the carrying amounts of computer software license at the beginning and end of the reporting periods is shown below.

	2025	2024
Balance at beginning of year	23,304,426	27,178,891
Additions	6,579,616	13,178,925
Amortization expense for the year	(3,677,767)	(17,053,390)
Balance at end of year	26,206,275	23,304,426

8.6 Deferred fulfilment costs

Deferred fulfilment costs pertain to costs that are directly related to a specific construction contract, generate or enhance resources that will be used to fulfill a performance obligation of the Group in the future, and are recoverable under the contract. Such costs include, but are not limited to, mobilization costs of equipment and labor, engineering and design costs, insurance and depreciation of equipment related to a specific contract.

The movements of deferred fulfilment costs as of March 31, 2025 and December 31, 2024 are shown below:

	2025	2024
Balance at beginning of year	690,245,337	664,289,891
Additions	111,688,326	25,955,446
Amortization	-	-
	801,933,663	690,245,337
Allowance for impairment	(383,540,371)	(328,605,205)
Write off	-	(54,935,166)
Balance at end of year	418,393,292	306,704,966

9 Property, plant and equipment

As of March 31, 2025, and December 31, 2024, the property, plant and equipment is composed of building, construction equipment, improvements, and right-of-use assets totaling P5,853.1 million and P5,899.0 million, respectively.

For the periods ended March 31, 2025 and December 31, 2024, the Group recognized additions to property, plant and equipment totalling to P160.6 million and P1,115.5 million, respectively, and sold certain property, plant and equipment for P8.6 million and P25.6 million, respectively. As a result of sale, the Group recognized gains amounting to P2.2 million and P17.1 million for the periods ended March 31, 2025 and December 31, 2024, respectively, and are presented as part of Others – net under Income and Expenses section in the interim condensed consolidated statements of income.

There are no restrictions on title, and property, plant and equipment pledged as security liabilities, except for right-of-use assets with carrying amount of P580.4 million and P596.5 million as of March 31, 2025 and December 31, 2024, respectively. There is no contractual commitment to acquire property and equipment.

There were no items of property, plant and equipment that were impaired or retired, lost or given up as of March 31, 2025 and December 31, 2024.

10 Investment properties

As of March 31, 2025, and December 31, 2024, the investment properties are composed of land, commercial area and construction in progress totaling P4,833.8 million and P4,868.2 million, respectively.

MWMTI was granted exclusive rights and obligations under a Concession Agreement. In relation to this arrangement, the MWMTI incurred pre-construction costs, general requirements, construction costs, and pre-operating and operating expenses for the integrated terminal.

Investment properties account includes parcels of land that are not used by the Group for administrative and supply of goods or services of the business and only held for capital appreciation. This includes an industrial lot acquired by MWM Terminals, Inc. from one of its tenants through dacion en pago, with a valuation of P106.1 million. Based on management's assessment, the carrying amounts of these assets are fully recoverable, hence, no impairment loss is required in both years.

There are no restrictions on the realizability of investment property or the remittance of income and proceeds of disposal. No contractual obligations to purchase, construct, or develop investment property, or for repairs and maintenance or enhancements has been agreed with.

For the periods ended March 31, 2025 and December 31, 2024, the Group recognized total additions amounting to P2.3 million and P195.3 million, respectively. There were no disposals of investment properties in 2024 and 2023.

As of March 31, 2025 and December 31, 2024, the investment properties has a fair value amounting to P5,901.1 million which was recognized under the Level 3 fair value hierarchy.

11 Goodwill

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1, which was accounted for under the acquisition method. The business combination is expected to integrate the innovative approaches of the Parent Company and PH1 in terms of construction and engineering to the residential projects of PH1 with respect to sustainability and technological advancement in living and community spaces.

At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1-WL and Famtech, respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech [Note 1.2(a)]. There were no contingent considerations arrangements and indemnification assets recognized by the Parent Company related to the business combination.

Presented in the succeeding page is the breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investment.

Assets	
Cash	158,812,124
Contract and other receivables	1,058,277,667
Real estate inventories	3,280,736,757
Property and equipment	33,002,846
Right-of-use assets	9,312,106
Other assets	233,084,701
	4,773,226,201
Liabilities	
Trade and other payables	1,688,417,798
Interest-bearing loans and borrowings	508,475,383
Reservation deposits	322,954,005
Contract liabilities	76,644,783
Lease liabilities	8,412,681
Deferred tax liabilities	107,696,473
Other liabilities	129,219,090
	2,841,820,213
Fair value of net assets	1,931,405,988
Cash consideration	5,200,000,000
Non-controlling interest	528,475,534
	5,728,475,534
Goodwill	3,797,069,546

Based on the management's assessment, the gross contractual amounts of receivable approximate the fair values as of the acquisition date. The best estimate of the contractual cash flows not expected to be collected at acquisition date is also deemed immaterial.

There were no significant acquisition-related costs incurred from this transaction.

The goodwill recognized from the foregoing acquisition reflects the opportunity to strengthen the Group's position in the real estate market, the synergies and economies of scale expected from combining the operations of the Group as a contractor and real estate developer. This also reflects the opportunity to accelerate the Group's growth momentum associated with property development in the long term.

The Group performed impairment testing of goodwill by using value-in-use in determining the recoverable amount. The value-in-use of the cash generating unit was determined using cash flow projections for 13 years, which reflects the timing of the development and completion of the residential projects including the collection period. The management applied a discount rate of 8.95% and growth rate of nil which are the key assumptions used in determining the value-in-use of the cash-generating unit.

The recoverable amount of the cash-generating unit was determined to be higher than its carrying amount. Management believes that any reasonably possible change of +/-1% in the discount rate and +/-1% in the growth rate would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount; hence, management assessed that there is no impairment loss required to be recognized on goodwill as of March 31, 2025 and December 31, 2024.

12 Leases

The Group has leases for certain construction equipment and transportation equipment. Lease asset land, on the other hand, pertains to the share of the parent company's joint venture (Hdec-Megawide-Dongah JV). With the exception of short-term leases and leases of low-value underlying assets, each right-of-use asset and lease liability from leases are reflected on the consolidated statements of financial position as part of property, plant and equipment and interest bearing loans and borrowings, respectively. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

12.1 Right-of-use assets

The carrying amounts of the Group's right-of-use assets presented as part of Property, Plant and Equipment account as of March 31, 2025 and December 31, 2024, and the movements during the periods are shown below.

	Land	Precast and construction equipment	Transportation equipment	Total
Balance at January 1, 2025	17,707,097	351,510,644	227,259,537	596,477,278
Additions	-	-	-	-
Disposal	-	-	-	-
Remeasurement	-	-	-	-
Amortization	(4,426,774)	(6,970,798)	(4,634,772)	(16,032,344)
Balance at March 31, 2025	13,280,323	344,539,846	222,624,765	580,444,934
Balance at January 1, 2024	16,990,939	390,986,834	115,016,894	522,994,667
Additions	-	-	141,569,974	141,569,974
Disposal	-	-	(993,025)	(993,025)
Remeasurement	18,184,535	-	-	18,184,535
Amortization	(17,468,377)	(39,476,190)	(28,334,306)	(85,278,873)
Balance at December 31, 2024	17,707,097	351,510,644	227,259,537	596,477,278
Balance at January 1, 2023	33,981,877	483,852,652	107,498,352	625,332,881
Additions	-	570,808	23,236,606	23,807,414
Pre-termination	-	(36,735,903)	-	(36,735,903)
Effect of sale of subsidiaries	-	-	9,312,106	9,312,106
Amortization	(16,990,938)	(56,700,723)	(25,030,170)	(98,721,831)
Balance at December 31, 2023	16,990,939	390,986,834	115,016,894	522,994,667

In 2024, the Company remeasured its lease liability pertaining to its joint venture (Hdec-Megawide-Dongah JV) due to an extension in the lease term. This remeasurement was necessitated by an increase in the lease term, which resulted in an adjustment to both the lease liability and the corresponding right-of-use asset amounting to P18.1 million.

12.2 Lease liabilities

Lease liabilities are presented in the interim condensed consolidated statements of financial position as part of Interest-bearing Loans and Borrowings (see Note 14) as of March 31, 2025 and December 31, 2024 as follows:

	2025	2024
Current	63,382,074	70,087,016
Non-current	98,876,594	112,313,897
	162,258,668	182,400,913

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's business strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As at March 31, 2025, and December 31, 2024, the Group has not committed to any leases which had not commenced.

12.3 Lease payments not recognized as liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses pertaining to short-term leases and low-value assets amounted to P17.5 million in 2025 (2024 – P16.4 million; 2023 – P13.9 million) is presented as part of Other Operating Expenses in the interim condensed consolidated statements of income.

12.4 Additional profit or loss and cash flow information

The total cash outflow in respect of leases amounted to P20.1 million in March 31, 2025 (December 31, 2024 - P160.5 million) and is presented as part of Repayment of Loans and Borrowings in the interim condensed consolidated statements of cash flows. Interest expense in relation to lease liabilities amounted to P1.9 million in March 31, 2025 (March 31, 2024 - P3.7 million) and is presented as part of Finance costs under Income and Expenses section in the interim condensed consolidated statements of income.

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities as of March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Within one year	73,086,937	82,043,143
One to two years	33,431,801	40,944,697
Two to three years	36,837,062	43,008,283
Three to four years	32,823,802	33,653,907
Four to five years	9,683,552	10,131,094
	185,863,154	209,781,124

13 Trade and other payables

Trade and other payables as of March 31, 2025 and December 31, 2024 consist of:

	Notes	2025	2024
Trade payables		1,719,767,297	1,543,092,955
Retention payable		2,590,511,023	2,456,197,713
Reservation deposits		403,323,535	389,965,890
Interest payable		222,744,280	248,983,497
Due to related parties	20.4	81,660,000	82,603,201
Accrued expenses		39,694,836	46,405,504
Security deposits	16	43,316,617	40,148,070
Others		66,409,165	65,296,325
		5,167,426,753	4,872,693,155

Retention payable pertains to amounts withheld from payments made to subcontractors to ensure compliance and completion of contracted projects ranging from 5% to 10% of every billing made by the contractor. Upon completion of the subcontracted projects, the amounts are paid to the subcontractors.

Reservation deposits pertain to the payments received from the buyers of condominium units which have not yet reached the collection threshold for revenue recognition.

Accrued expenses include mainly unpaid utilities.

Others include accrued salaries and other non-trade payables.

14 Interest-bearing loans and borrowings

The details of short-term and long-term interest-bearing loans and borrowings as of March 31, 2025 and December 31, 2024 are as follows:

	Notes	2025	2024
Current			
Bank loans	14.2	18,060,826,326	18,215,794,126
Lease liabilities	12.2	63,382,074	70,087,016
		18,124,208,400	18,285,881,142
Non-current			
Bonds Payable	14.3	8,941,905,571	8,934,893,911
Bank loans	14.2	6,202,000,346	5,828,907,951
Notes payables	14.1	1,840,000,000	1,840,000,000
Lease liabilities	12.2	98,876,594	112,313,897
		17,082,782,511	16,716,115,759
		35,206,990,911	35,001,996,901

14.1 Notes payable

(a) 2013 Notes facility

On February 19, 2013, the Parent Company executed a notes facility agreement with a local universal bank. In this agreement, the Parent Company desired to offer and issue fixed-rate corporate notes in the aggregate principal amount of P4,000.0 million. The net proceeds of the notes after deducting direct issue costs, such as underwriting fees and commissions, documentary stamp tax and other expenses associated with the issuance, amounted to P3,957.3 million.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued in three tranches with terms of five to ten years and interest rates referring to Philippine Dealing System Treasury (PDST) Fixing rates plus an interest spread of 1.5% to 1.75%. These are fully settled in 2022.

(b) 2016 various notes facility

In 2016, the Parent Company entered into various notes facility arrangement with a local bank to refinance the corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued with the following details:

Date issued	Principal	Term in years	Interest rate
September 16, 2016	650,000,000	10	5.50%
December 5, 2016	350,000,000	10	6.37%
December 16, 2016	1,000,000,000	10	6.37%
	2,000,000,000		

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.1.

On August 10, 2017, the Parent Company sent a letter to the bank requesting the waiver of one of the loan negative covenants that prohibits the stockholdings of Citicore in the Parent Company to fall below 51% or enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a material adverse effect (Note 1.1). In September 2017, the request was granted by the bank.

As of March 31, 2025 and December 31, 2024, the Parent Company has complied with all the debt covenants set forth in the notes facility agreement.

(c) 2020 various notes facility

On February 19, 2020, the Parent Company signed a P5,000.0 million corporate note facility, the proceeds of which will be used by the Parent Company to (a) retire maturing debt obligations, (b) to fund growth projects, and (c) for general corporate purposes.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes will be issued in five tranches as follows:

	Principal
Tranche A	3,600,000,000
Tranche B	350,000,000
Tranche C	350,000,000
Tranche D	350,000,000
Tranche E	350,000,000
	5,000,000,000

These 4.5-year corporate notes bear a fixed interest rate based on the closing per annum rates of a 4.5-year PHP BVAL reference rate on the PDS Group website plus a certain spread, subject to a floor rate of 5%. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.10. Debt pertains to all interest-bearing loans and borrowing.

As of March 31, 2025 and December 31, 2024, the carrying amount of all the corporate notes is P1,840.0 million.

The Parent Company is in compliance with all the covenants required to be observed under the loan facility agreement as of March 31, 2025 and December 31, 2024.

14.2 Bank loans

(a) OLSA for PITX project

In 2015, MWMTI entered into an Omnibus Loan and Security Agreement (OLSA) with a local universal bank for a loan facility amounting to P3,300.0 million to finance the construction of the ITS Project. In 2019, MWMTI requested the lender to increase the loan by P600.0 million making the total principal loan to P3,900.0 million. In 2017, MWMTI made its first drawdown amounting to P825.0 million while the remaining loan facility was fully drawn in 2019 in tranches amounting to P3,075.0 million. The loan principal shall be amortized quarterly over 15 years and the first principal repayment is due on January 16, 2021. The interest-bearing loan is secured by the Joint Venturers and bears annual interest rates ranging from 6.7% to 7.3% in 2025.

The interest-bearing loan requires the MWMTI to maintain a maximum debt-to-equity ratio of 70:30. In addition, the MWMTI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.25.

In 2025 and 2024, MWMTI complied with all affirmative and negative covenants indicated in the OLSA.

The current portion of the bank loans of MWMTI as of March 31, 2025 amounted to P221.6 million (December 31, 2024 – P211.9 million), while the non-current portion as of March 31, 2025 amounted to P3,102.2 million (December 31, 2024 - P3,165.6 million).

(b) OLSA - May 10, 2023

On May 10, 2023, CDI entered into an OLSA with a local universal bank for a loan facility to finance the development, design, construction and completion of the ongoing projects.

The interest-bearing loans are issued with the following details:

Date issued	Principal	Term in years	Interest rate
February 29, 2024	676,130,000	12	8.80%
March 31, 2024	78,881,000	12	8.76%
April 30, 2024	78,881,000	12	9.35%
July 1, 2024	78,881,000	12	9.04%
October 1, 2024	78,881,000	12	8.21%
January 2, 2025	102,660,000	11	8.63%
	991,654,000		

The interest-bearing loans shall be amortized quarterly and the first and final principal repayments are due on February 28, 2027 and February 29, 2036, respectively.

The interest-bearing loans require CDI to maintain at most a debt-to-equity ratio of 60:40 during the loan availability period and 70:30 at the end of such period. In addition, the CDI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.05. CDI complied with all affirmative and negative covenants indicated in the OLSA.

(c) Other bank loans

As a result of acquisition of PH1, the Group recognized bank loans amounting to P508.5 million in 2023 (Note 11). Subsequent to the acquisition, PH1 obtained additional bank loans amounting to P350.0 million and P1,033.8 million in 2025 and 2024, respectively.

As of March 31, 2025, the Group obtained various bank loans with total outstanding balance of P18,060.8 million (December 31, 2024 – P18,215.8 million), representing unsecured short-term loans from other local banks. The loans bear fixed average annual interest rates of 7% in 2025 and 2024.

14.3 Bonds Payable

On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1.6 billion maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2.4 billion maturing in five years from issue date a rate of 7.9663%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

Bond issue cost capitalized as part of this bonds amounted to P64.6 million. As of March 31, 2025, amortization amounted to P3.9 million (December 31, 2024 - P14.7 million) while its net carrying value amounted to P27.5 million (December 31, 2024 – P31.4 million).

On July 11, 2024, the Parent Company listed fixed-rate bonds in the total amount of P5,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series C (P3.1 billion maturing in three years from issue date at rate of 7.6348%) and Series D (P1.1 billion maturing in five years from issue date at a rate of 8.0580%) and Series E (P0.8 billion maturing in seven years from issue date at a rate of 8.4758%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

Bond issue cost capitalized as part of this bonds amounted to P37.1 million. As at March 31, 2025, amortization amounted to P3.1 million (December 31, 2024 – P3.3 million) while its net carrying value amounted to P31.4 million (December 31, 2024 – P33.7 million).

As at March 31, 2025 and December 31, 2024, the Parent Company is in compliance with these covenants.

15 Contract liabilities

Contract liabilities represent excess of collections from the buyers over the related revenue recognized using the POC. The breakdown of contract liabilities as of March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Construction contracts	4,645,028,727	5,077,056,949
Real estate sales	221,492,281	335,100,433
	4,866,521,008	5,412,157,382

These are presented and classified in the consolidated statements of financial position as of March 31, 2025 and December 31, 2024 as follows:

	2025	2024
Current	4,309,386,644	4,519,512,582
Non-current	557,134,364	892,644,800
	4,866,521,008	5,412,157,382

The significant changes in the contract liabilities balances during the reporting periods are as follows:

	2025	2024
Balance at beginning of year	5,412,157,382	5,275,363,483
Increase due to billings excluding amount recognized as revenue during the year	2,267,921,196	3,003,333,619
Revenue recognized that was included in contract liability at the beginning of the year	(2,816,849,430)	(2,899,134,782)
Effect of financing component	3,291,860	32,595,062
Balance at end of year	4,866,521,008	5,412,157,382

16 Other liabilities

The details of this account as of March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Current:		
Deferred output VAT	140,967,870	116,087,356
Deferred revenue	140,345,359	124,812,167
Vat Payable	64,072,285	93,655,346
Withholding taxes	43,494,490	51,831,696
Government liabilities	34,054,817	28,422,803
Others	9,520,863	10,900,179
	432,455,684	425,709,547
Non-current:		
Security deposits	63,143,081	126,512,494
Unearned rent income	52,754,786	141,384,032
	115,897,867	267,896,526
	548,353,551	693,606,073

Deferred revenue represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.

The Group also received security deposits upon full operations of MWMTI's PITX. These deposits on lease agreements will be refunded at the end of the lease terms, which ranges from one to six years.

Unearned rent income pertains to the difference between the fair value and principal amount of security deposits received at the inception of the lease with concessionaires, which are amortized over the corresponding lease term.

17 Revenues

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Note 2.

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

A summary of additional disaggregation from the segment revenues and other unallocated income for continuing operations is shown in the succeeding page.

	Note	Point in time	Over time	Short-term	Long-term	Total
March 31, 2025						
Construction operations:	17.1					
Contract revenues		-	3,212,429,790	-	3,212,429,790	3,212,429,790
Sale of ready-mix concrete		-	203,911,661	203,911,661	-	203,911,661
Sale of precast		-	175,941,363	175,941,363	-	175,941,363
Equipment rental		-	75,875,629	75,875,629	-	75,875,629
		-	3,668,158,443	455,728,653	3,212,429,790	3,668,158,443
Landport operations:	17.2					
Rental revenue - per contract		-	150,618,621	150,618,621	-	150,618,621
Rental revenue - effect of straight-line method		-	(14,413,107)	(14,413,107)	-	(14,413,107)
Revenue from grantor payments		-	-	-	-	-
		-	136,205,514	136,205,514	-	136,205,514
Real Estate operations						
Real estate revenue	17.3	-	396,503,624	-	396,503,624	396,503,624
		-	4,200,867,580	591,934,166	3,608,933,414	4,200,867,580
March 31, 2024						
Construction operations:	17.1					
Contract revenues		-	4,055,248,805	-	4,055,248,805	4,055,248,805
Sale of ready-mix concrete		-	565,110,600	565,110,600	-	565,110,600
Sale of precast		-	206,624,123	206,624,123	-	206,624,123
Equipment rental		-	121,244,511	121,244,511	-	121,244,511
		-	4,948,228,039	892,979,234	4,055,248,805	4,948,228,039
Landport operations:	17.2					
Rental revenue - per contract		-	93,757,385	93,757,385	-	93,757,385
Rental revenue - effect of straight-line method		-	(8,660,142)	(8,660,142)	-	(8,660,142)
Revenue from grantor payments		-	22,087,879	22,087,879	-	22,087,879
		-	107,185,122	107,185,122	-	107,185,122
Real Estate operations						
Real estate revenue	17.3	-	146,885,959	-	146,885,959	146,885,959
		-	5,202,299,120	1,000,164,356	4,202,134,764	5,202,299,120
March 31, 2023						
Construction operations:	17.1					
Contract revenues		-	3,853,265,813	-	3,853,265,813	3,853,265,813
Sale of ready-mix concrete		-	172,295,247	172,295,247	-	172,295,247
Sale of precast		-	135,566,904	135,566,904	-	135,566,904
Equipment rental		-	105,226,962	105,226,962	-	105,226,962
		-	4,266,354,926	413,089,113	3,853,265,813	4,266,354,926
Landport operations:	17.2					
Rental revenue - per contract		-	90,629,107	90,629,107	-	90,629,107
Rental revenue - effect of straight-line method		-	(19,126,021)	(19,126,021)	-	(19,126,021)
Revenue from grantor payments		-	18,652,488	18,652,488	-	18,652,488
		-	90,155,574	90,155,574	-	90,155,574
		-	4,356,510,500	503,244,687	3,853,265,813	4,356,510,500

Revenue from landport operations arising from the lease of its office and commercial spaces is recognized on the straight-line basis over the lease term based on the provision of the covering lease contracts, including any minimum rent-free period therein, plus additional rent-free period as mutually agreed by the contracting parties. This is recognized in accordance with PFRS 16.

Revenue from real estate sales from pre-completed real estate properties is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development.

Revenue from real estate sales on completed real estate properties is recognized at a point in time when the control over the real estate property is transferred to the buyer.

17.1 Construction operations revenues

The details of this account for the three months ended March 31 are composed of the revenues from:

	2025	2024	2023
Contracts in progress	3,642,868,433	3,778,408,482	3,117,555,368
Completed contracts	25,290,010	1,169,819,557	1,148,799,558
	3,668,158,443	4,948,228,039	4,266,354,926

17.2 Landport operations revenue

The PITX Project undertaken by the Group with the DOTr gives the Group the control over the landport area and the right to collect concessionaire revenue. As disclosed in Note 6, contract assets include unbilled receivables which pertain to the cost of the landport area which is to be recovered through the Grantor payments.

The construction of the PITX Project was completed in 2019 and the Group has no unsatisfied performance obligations as of March 31, 2025 and December 31, 2024.

The details of landport operations revenue for the three months ended March 31 are composed of the revenues from:

	2025	2024	2023
Rental revenue - per contract	150,618,621	93,757,385	90,629,107
Rental revenue - effect of straight-line method	(14,413,107)	(8,660,142)	(19,126,021)
Revenue from grantor payments	-	22,087,879	18,652,488
	136,205,514	107,185,122	90,155,574

17.3 Real estate operations revenues

Real estate operations revenues comprise of residential condominium units sold as of March 31, 2025 amounted to P396.5 million (2024 – P146.9 million).

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of March 31, 2025, is P8,362.0 million. As of March 31, 2025, the Group expects to recognize revenue from unsatisfied contracts as follows:

Within one year	1,014,907,367
More than one year to three years	7,347,061,538
	8,361,968,905

18 Direct costs

18.1 Cost of construction operations

The following is the breakdown of this account for the three months ended March 31:

	2025	2024	2023
Outside services	1,220,571,696	1,505,466,874	1,390,851,240
Materials	1,010,395,507	1,591,997,640	1,429,485,997
Salaries and employee benefits	436,698,530	399,641,356	429,556,577
Depreciation	181,912,602	339,931,892	335,986,569
Project overhead	133,015,671	266,858,753	277,595,285
	2,982,594,006	4,103,896,515	3,863,475,668

Project overhead includes insurance, repairs and maintenance, gas and oil, travel and transportation, professional fees, utilities, municipal permits, taxes, security services, office supplies and various rental expenses of staging areas.

18.2 Cost of landport operations

The following is the breakdown of cost of landport operations for the three months ended March 31:

	2025	2024	2023
Depreciation and amortization	35,470,014	49,300,312	79,110,486
Terminal costs	22,279,319	22,087,879	11,718,141
Cost of leasing activity	13,244,106	8,322,306	-
	70,993,439	79,710,497	90,828,627

18.3 Cost of real estate operations

Cost of real estate operations include allocated land and development costs aggregating to P226.7 million as of March 31, 2025 (2024 - P79.6 million).

19 Equity

19.1 Capital stock

Capital stock consists of:

	Shares			Amount		
	2025	2024	2023	2025	2024	2023
Common shares - P1 par value						
Authorized	4,930,000,000	4,930,000,000	4,930,000,000	4,930,000,000	4,930,000,000	4,930,000,000
Subscribed and paid in:	2,399,426,127	2,399,426,127	2,399,426,127	2,399,426,127	2,399,426,127	2,399,426,127
Less: Treasury shares						
Balance at beginning of year and end of year	386,016,410	386,016,410	386,016,410	4,615,690,576	4,615,690,576	4,615,690,576
Issued and outstanding	2,013,409,717	2,013,409,717	2,013,409,717			
Preferred shares - P1 par value						
Authorized						
Balance at beginning of year	250,000,000	250,000,000	186,000,000	250,000,000	250,000,000	186,000,000
Balance at end of year	250,000,000	250,000,000	186,000,000	250,000,000	250,000,000	186,000,000
Subscribed and paid in:						
Balance at beginning of year:						
Series 1	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Series 2A	26,220,130	26,220,130	26,220,130	26,220,130	26,220,130	26,220,130
Series 2B	17,405,880	17,405,880	17,405,880	17,405,880	17,405,880	17,405,880
Series 3	45,000,000	29,000,000	20,000,000	45,000,000	29,000,000	20,000,000
Series 4	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Series 5	15,000,000	15,000,000	-	15,000,000	15,000,000	-
Issuance during the year:						
Series 3	-	16,000,000	9,000,000	-	16,000,000	9,000,000
Series 5	-	-	15,000,000	-	-	15,000,000
	183,626,010	183,626,010	167,626,010	183,626,010	183,626,010	167,626,010
Less: Subscription receivable:						
Balance at beginning of year	33,750,000	21,750,000	15,000,000	33,750,000	21,750,000	15,000,000
Subscription - Series 3	-	12,000,000	6,750,000	-	12,000,000	6,750,000
Balance at end of year	33,750,000	33,750,000	21,750,000	33,750,000	33,750,000	21,750,000
Balance at end of year	149,876,010	149,876,010	145,876,010	149,876,010	149,876,010	145,876,010
Less: Treasury shares:						
Balance at beginning of year	66,220,130	66,220,130	40,000,000	6,622,013,000	6,622,013,000	4,000,000,000
Redemption of Series 1	-	-	-	-	-	-
Redemption of Series 2A	-	-	26,220,130	-	-	-
Balance at end of year	66,220,130	66,220,130	66,220,130	6,622,013,000	6,622,013,000	4,000,000,000
Issued and outstanding	83,655,880	83,655,880	79,655,880			

On September 22, 2014, the SEC approved the Parent Company's amendment of articles of incorporation, which includes: (i) the Parent Company's power to extend corporate guarantees to its subsidiaries and affiliates; and, (ii) the increase in its authorized capital stock of P5,000.0 million divided into 4,930.0 million common shares and 70.0 million cumulative, non-voting, non-participating, non-convertible to common shares and redeemable, at the option of the Parent Company, perpetual preferred shares Both common and preferred shares have a par value of P1.00 per share.

On August 16, 2017, Megacore Holdings, Inc. (Megacore) acquired 313,786,575 shares representing 14.7% ownership over the Parent Company from Citicore. This resulted in a decrease in Citicore's ownership from 66.7% to 51.0%.

On December 20, 2017, the state-owned Social Security System acquired a total of 110,532,500 shares or equivalent to 5.2% interest of the Parent Company through purchase of 3.45% stake held by Megacore and the remaining interest from the public.

On December 22, 2017, Megacore further acquired additional shares from Citicore which resulted in an increase in Megacore's equity interest to the Parent Company equivalent to 28.9% or 617,709,197 as of December 31, 2017.

On September 22, 2020, the SEC has approved the increase of the authorized capital stock of the Parent Company increasing the total authorized capital stock of the Parent Company to P5,054,000,000, divided into the following classes:

- a. 4,930,000,000 voting common shares with the P1 par value; and
- b. 124,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with the P1 par value

The Preferred Shares shall be issued in series, sub-series or in tranches as the BOD may determine, and authority is hereby expressly granted to the BOD, to establish and designate the series, sub-series or tranches of the Preferred Shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each sub-series or tranche and determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering.

Preferred shares of stock shall be cumulative, non-voting, non-participating, non-convertible, perpetual; Provided, that no share will be issued below par value. The preferred shares shall have the following features, rights and privileges:

- a. The issue value of shares shall be determined by the BOD at the time of the issuance of the shares;
- b. The BOD shall declare a dividend rate equivalent to the 7-year benchmark rate or any other rate determined by the BOD as of issue date, payable on a date to be set by the BOD in accordance with Philippine laws, rules and regulations;
- c. Preferred shares shall be non-convertible into common shares;
- d. Preference over holders of common stock in the distribution of the corporate assets in the event of dissolution and liquidation of the corporation and in the payment of the dividend at the rate specified at the time of issuance;
- e. Preferred shares shall be cumulative;
- f. Preferred shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;
- g. Holders of preferred shares shall have no pre-emptive rights to any issue of shares, common or preferred; and,
- h. The preferred shares may be redeemed by the corporation at the sole option of the BOD at the price to be determined by the BOD.

On September 30, 2020, the Parent Company entered into a Subscription Agreement with Citicore whereby Citicore subscribed to 13,500,000 preferred shares of the Parent Company at P1.00 each and paid 25% of such subscription in cash amounting to P3.4 million.

On November 5, 2020, the SEC has approved the Parent Company's offer and sale of Series 2 preferred shares which are to be issued in two subseries: Series 2A and Series 2B preferred shares, at a subscription price of P100.00. As of December 31, 2020, preferred shares of 26,220,130 and 17,405,880 for Series 2A and 2B, respectively, were subscribed and listed in the PSE. As a result, the Parent Company recognized additional paid-in capital amounting to P4,281.4 million, arising from the excess of subscription price over par value of the issuance of Series 2A and 2B preferred shares. The Parent Company also recognized issuance-related costs amounting to P37.1 million which was charged against the additional paid in capital recorded from the issuance of Series 2A and 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved the resolution increasing the Parent Company's authorized capital stock on preferred shares by 26.0 million shares, to a total of 150.0 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares at a par value of P1.00 per share, thereby increasing the Parent Company's total authorized capital stock to P5,080.0 million. At the same date, the BOD approved the offer and sale of up to 40.0 million preferred shares from the unissued authorized capital stock of the Parent Company and the issuance of 6.5 million shares to Citicore. On September 9, 2021, the SEC has approved the increase in capital stock of preferred shares.

On July 23, 2021, the Parent Company filed with the SEC a registration statement and preliminary prospectus relating to its offer and sale of up to 40.0 million Series 4 preferred shares with a par value of P1.00 per share, composed of a base offer of 30.0 million shares and an oversubscription option of up to 10.0 million shares, at an offer price of P100.00 per share. On September 30, 2021, the SEC has approved the Parent Company's offer and sale of Series 4 preferred shares. As a result, the Parent Company recognized additional paid-in capital amounting to P3,930.1 million, arising from the excess of subscription price over par value related to the issuance of Series 4 preferred shares. Transaction costs from the issuance amounting to P29.9 million was charged against the additional paid in capital relating to this issuance. The proceeds from such issuance were used for the redemption of the outstanding Series 1 preferred shares as discussed in the succeeding paragraphs.

On September 10, 2021, Citicore subscribed to additional 6.5 million preferred shares at a price of P1.00 per share and paid P1.6 million in cash representing the 25% of such subscription. As of December 31, 2021, Citicore has subscribed to a total of 20.0 million preferred shares at a par value of P1.00 per share, and has paid 25% of such subscription.

On October 19, 2021, the BOD approved the redemption of the Parent Company's Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000.0 million. The cost of the redemption was considered temporarily as part of treasury shares until such time that the SEC approves the decrease in authorized capital stock of the Parent Company to reflect such redemption wherein the redemption price will be charged against the paid-up capital arising from the original issuance. The details of the redemption are as follows:

Ex-date	November 4, 2021
Record date	November 9, 2021
Redemption date	December 3, 2021

On November 4, 2022 and December 20, 2022, the Parent Company's BOD and stockholders, respectively, has approved the following increase in its authorized capital stock:

	Common shares		Preferred shares	
	Number of shares	Amount	Number of shares	Amount
FROM -				
Authorized - P1 par value	4,930,000,000	4,930,000,000	150,000,000	150,000,000
TO -				
Authorized - P1 par value	4,930,000,000	4,930,000,000	186,000,000	186,000,000

Common shares - Voting

Preferred shares - Cumulative, non-voting, non-participating, non-convertible, perpetual

On December 23, 2022, the Parent Company received deposits from Citicore amounting to P2.3 million equivalent to 25% of the subscription price of 9.0 million shares of stock of the Parent Company at par value of P1.00 per share. The deposit is presented as Deposits on Future Stock Subscription under Equity section in the 2022 consolidated statement of financial position. There was no similar transaction in 2023 and 2024.

On January 6, 2023, the Company filed with the SEC a Registration Statement and Preliminary Prospectus relating to its offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of P1.0 per share (the Offer Shares). The Offer Shares is for a total of 15.0 million Series 5 Preferred Shares, which shall be issued at a subscription price of P100.0 per share.

On February 15, 2023, the Parent Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposits on future stock subscription were converted to preferred shares (Series 3).

On October 25, 2024, the Board of Directors approved the increase of the Parent Company's authorized capital stock of preferred shares by 64 million shares, to a total 250 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares; thereby increasing the Parent Company's total authorized capital stock to P5,180 million, and amending Article Seventh of its Articles of Incorporation while the authorized capital stock of preferred shares increased to 250 million shares.

On December 27, 2024, the SEC issued the certificate of approval of the increase of capital stock and certificate of filing of amended articles of incorporation, both of which were received by the Parent Company on January 7, 2025. Following the approval by the SEC of the increase of capital stock, Citicore Holdings Investment Inc., the ultimate parent of the Parent Company, formally subscribed to at 25% of the increase in the Parent Company's authorized capital stock, equivalent to P16 million, through the execution of a subscription agreement dated January 7, 2025. Payment of 25% of such subscription, amounting to P4 million, was received by the Parent Company on December 12, 2024.

As of March 31, 2025, and December 31, 2024, the Parent Company has 33 and 32 holders of its common equity securities owning at least one board lot of 100 shares listed in the PSE, respectively, and its share price closed as of such dates at P2.05 per share in 2025 (2024 - P3.08 per share). The Parent Company has 2,399.4 million common shares traded in the PSE as of March 31, 2025, and December 31, 2024.

As of March 31, 2025, and December 31, 2024, the Parent Company has the following preferred shares traded in the PSE:

	2025		2024	
	No of shares	Closing price	No of shares	Closing price
Series 2B	17,405,880	94.0	17,405,880	95.0
Series 4	40,000,000	99.4	40,000,000	98.0
Series 5	15,000,000	100.6	15,000,000	100.8

19.2 Dividends

19.2.1 Common shares dividends

On February 6, 2023 and May 12, 2023, the Parent Company's BOD approved the declaration of cash dividends for common shares in the amount of P0.50 per share or equivalent to P1,006.7 million each declaration date to all stockholders of record as of March 6, 2023 and May 26, 2023, payable on March 24, 2023 and June 16, 2023, respectively.

19.2.2 Preferred shares dividends

2025 Dividend Declaration	Quarterly dividend rate	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
Preferred shares:						
Series 2B	1.4375	25,020,953	-	-	-	25,020,953
Series 4	1.325	53,000,000	-	-	-	53,000,000
Series 5	1.97605	29,640,750	-	-	-	29,640,750
Total		107,661,703	-	-	-	107,661,703

(a) Series 2A and Series 2B Preferred Shares

In 2023, the Parent Company's BOD approved the declaration of cash dividends of P1.2 per share for holders of Series 2A preferred shares for the first and second quarters amounting to P62.2 million. These were taken out of the unrestricted earnings of the Parent Company as of December 31, 2023.

Similarly, for holders of Series 2B preferred shares in 2025, 2024 and 2023, the Parent Company's BOD approved the declaration of cash dividends of P1.4 per share or equivalent to P25.0 million per quarter (total of 100.1 million for each year), which were taken out of the unrestricted earnings of the Parent Company as of March 31, 2025, December 31, 2024 and 2023, respectively.

The series of record dates and payments are as follows:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2025				
Series 2B Preferred Shares:				
Approval dates	January 22, 2025	-	-	-
Record dates	February 11, 2025	-	-	-
Payment dates	February 27, 2025	-	-	-
2024				
Series 2A Preferred Shares:				
Approval dates	-	-	-	-
Record dates	-	-	-	-
Payment dates	-	-	-	-
Series 2B Preferred Shares:				
Approval dates	January 16, 2024	April 23, 2024	July 22, 2024	October 25, 2024
Record dates	February 7, 2024	May 10, 2024	August 8, 2024	November 12, 2024
Payment dates	February 27, 2024	May 27, 2024	August 27, 2024	November 27, 2024
2023				
Series 2A Preferred Shares:				
Approval dates	February 6, 2023	April 26, 2023	-	-
Record dates	February 20, 2023	May 12, 2023	-	-
Payment dates	February 27, 2023	May 29, 2023	-	-
Series 2B Preferred Shares:				
Approval dates	February 6, 2023	April 26, 2023	August 1, 2023	October 19, 2023
Record dates	February 20, 2023	May 12, 2023	August 16, 2023	November 7, 2023
Payment dates	February 27, 2023	May 29, 2023	August 29, 2023	November 28, 2023

(b) Series 4 Preferred Shares

In 2025, 2024 and 2023, the Parent Company's BOD approved the declaration of cash dividends of P1.3 per share or equivalent to P53.0 million per quarter which were taken out of the unrestricted earnings of the Parent Company as of March 31, 2025, December 31, 2024 and 2023, respectively.

The series of record dates and payments are as follows:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2025				
Series 4 Preferred Shares:				
Approval dates	January 3, 2025	-	-	-
Record dates	January 22, 2025	-	-	-
Payment dates	January 30, 2025	-	-	-
2024				
Series 4 Preferred Shares:				
Approval dates	January 5, 2024	March 22, 2024	June 26, 2024	September 27, 2024
Record dates	January 22, 2024	April 12, 2024	July 12, 2024	October 14, 2024
Payment dates	January 29, 2024	April 29, 2024	July 29, 2024	October 29, 2024
2023				
Series 4 Preferred Shares:				
Approval dates	March 21, 2023	July 12, 2023	September 13, 2023	-
Record dates	April 11, 2023	July 26, 2023	October 10, 2023	-
Payment dates	May 2, 2023	July 31, 2023	October 30, 2023	-

(c) Series 5 Preferred Shares

In 2025, 2024 and 2023, the Parent Company's BOD approved the declaration of cash dividends of P1.98 per share or equivalent to P29.6 million per quarter to holders of Series 5 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of March 31, 2025, December 31, 2024 and 2023, respectively.

The series of record dates and payments are as follows:

	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
2025				
Series 5 Preferred shares:				
Approval dates	March 12, 2025	-	-	-
Record dates	April 2, 2025	-	-	-
Payment dates	April 21, 2025	-	-	-
2024				
Series 5 Preferred shares:				
Approval dates	March 13, 2024	June 14, 2024	September 16, 2024	December 10, 2024
Record dates	April 2, 2024	July 2, 2024	October 2, 2024	December 27, 2024
Payment dates	April 17, 2024	July 17, 2024	October 17, 2024	January 17, 2025
2023				
Series 5 Preferred shares:				
Approval dates	-	July 12, 2023	September 11, 2023	December 11, 2023
Record dates	-	July 17, 2023	September 26, 2023	December 27, 2023
Payment dates	-	July 17, 2023	October 17, 2023	January 17, 2024

The Group's retained earnings are restricted up to the extent of the cost of its treasury shares, except those treasury shares acquired in the redemption of redeemable preferred shares amounting to P6,622.0 million as March 31, 2025 and December 31, 2024.

Under Section 4(1) of the SEC's 1982 Rules Governing Redeemable and Treasury Shares, the amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held, other than those acquired in accordance with the exceptions provided in Section 3(1) of these rules, shall be restricted from being declared and issued as dividends. Section 3(1) provides that redeemed redeemable shares, although part of treasury shares, is not subtracted from the unrestricted retained earnings to determine the Retained Earnings Available for Dividend Declaration provided that the corporation must still have sufficient assets to cover debts and liabilities inclusive of capital stock, after redemption of the redeemable preferred shares.

19.3 Deposit on future stock subscription

As of March 31, 2025 and December 31, 2024, the Group has P90 million outstanding deposits which are presented already as deposit for future stock subscription under equity in the statement of financial position. As at December 31, 2023 this was presented as a liability under the Due to Related Party account. The SEC approved PH1's increase in authorized capital from 620,000,000 shares to 2,600,000,000 shares last March 2025 and expected to be converted into capital stock in 2025.

19.4 Treasury shares

On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the seven-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted to P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.90 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. The outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Parent company's BOD approved a share buyback program worth up to P2.0 billion over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3.0 billion to its share buyback program, making it a total of P5.0 billion and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares. There are no buyback transactions in 2022 and 2021.

On October 19, 2021, the Parent Company's BOD approved the redemption of its Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000 million.

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.00 per share, increasing the treasury shares by P2,622.0 million.

19.5 Non-controlling interest

Noncontrolling interests pertain to the equity ownership of minority stockholders in MCLI, MCEI, MOMC, TPC, and Famtech.

As of March 31, 2025, the non-controlling interests amounting to P524.5 million (December 31, 2024 - P529.2 million) as presented in the interim condensed consolidated statements of financial position.

There were no dividends declared to non-controlling interests in 2025 and 2024.

20 Related party transactions

The Group's related parties include its ultimate parent company and other shareholders, subsidiaries, associates, joint ventures, parties related to the Parent Company by common ownership and key management personnel.

Based on the requirement of SEC Memorandum Circular 2019-10, Rules of Material Related Party Transactions of Publicly listed Companies, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the Parent Company's BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock.

For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

The summary of the Group's transactions with related parties for the three months ended March 31, 2025 is as follows:

Related party category	Note	Amount of transaction	Outstanding receivable (payable)	Terms	Conditions
Ultimate parent company:					
Cash advance granted	4, 20.4	80,000,000	3,169,295,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable		63,937,500	1,533,686,161	On demand;	
Rent income	4, 20.4			Noninterest-bearing	Unsecured; Unimpaired
	4, 20.2	13,393	322,812	Normal credit terms	Unsecured; Unimpaired
				On demand;	
Cash advance obtained	14, 20.4	90,233,593	-	Noninterest-bearing	Unsecured; Unimpaired
Associate:					
Revenue from services	4, 17.1, 20.1	-	997,247,698	Normal credit terms	Unsecured; Unimpaired
Cash advance granted		1,520,000	6,283,231	On demand;	
	4, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained		-	(30,000,000)	On demand;	
	13, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Rent income	4, 20.2	13,393	455,536	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	4, 17.1, 20.1	181,847,082	62,318,838	Normal credit terms	Unsecured; Unimpaired
Cash advance granted		-	-	On demand;	
	4, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained		-	-	On demand;	
	14, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	4, 20.1	59,434,127	672,275,692	Normal credit terms	Unsecured; Unimpaired
Cash advance granted		-	889,795	On demand;	
	4, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Related parties under common ownership:					
Rent income	4, 20.2	3,031,802	47,318,408	Normal credit terms	Unsecured; Unimpaired
Revenue from services	4, 17.1, 20.1	427,305,170	719,158,096	Normal credit terms	Unsecured; Unimpaired
Cash advance granted		286,850	3,349,053,143	On demand;	
	4, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained		943,200	(51,660,000)	On demand;	
	14, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Interest receivable		75,806,409v	1,589,755,692	On demand;	
	4, 20.4			Noninterest-bearing	Unsecured; Unimpaired
Retirement fund		-	5,211,295	Upon retirement of beneficiaries	Unsecured; Unimpaired
Advances to officers and employees	4, 20.3	12,574,008	93,512,550	Upon liquidation,	
Key management personnel compensation		61,626,626	-	Noninterest-bearing	Unsecured; Unimpaired
	20.6			On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for the three months ended March 31, 2024 is as follows:

Related party category	Note	Amount of transaction	Outstanding receivable (payable)	Terms	Conditions
Ultimate parent company:					
Cash advance granted	4, 20.4	-	3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable				On demand;	
	4, 20.4	63,937,500	1,277,936,161	Noninterest-bearing	Unsecured; Unimpaired
Rent income	4, 20.2	-	255,848	Normal credit terms	Unsecured; Unimpaired
Cash advance obtained				On demand;	
	13, 20.4	-	-	Noninterest-bearing	Unsecured; Unimpaired
Associate:					
Revenue from services	4, 20.1	-	1,008,705,413	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand;	
	4, 20.4	83,470	9,475,890	Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained				On demand;	
	14, 20.4	-	(30,000,000)	Noninterest-bearing	Unsecured; Unimpaired
Rent income	4, 20.2	-	388,572	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	4, 17.1, 20.1	225,692,111	178,277,516	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand;	
	4, 20.4	-	901,012	Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained				On demand;	
	13, 20.4	-	-	Noninterest-bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	4, 20.1	-	681,053,980	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand;	
	4, 20.4	-	889,795	Noninterest-bearing	Unsecured; Unimpaired
Related parties under common ownership:					
Rent income	4, 20.2	2,611,172	37,701,245	Normal credit terms	Unsecured; Unimpaired
Revenue from services	4, 17.1, 20.1	356,942	154,209,644	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand;	
	4, 20.4	3,721,025	3,345,685,277	Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained				On demand;	
	14, 20.4	(5,074,466)	(29,478,098)	Noninterest-bearing	Unsecured; Unimpaired
Interest receivable				On demand;	
	4, 20.4	75,747,296	1,286,478,324	Noninterest-bearing	Unsecured; Unimpaired
Retirement fund				Upon retirement of	
				beneficiaries	Unsecured; Unimpaired
Advances to officers and employees				Upon liquidation,	
Key management personnel	4, 20.3	5,464,917	103,977,696	Noninterest-bearing	Unsecured; Unimpaired
compensation	20.6	60,541,613	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for the three months ended March 31, 2023 is as follows:

Related party category	Note	Amount of transaction	Outstanding receivable (payable)	Terms	Conditions
Ultimate parent company:					
Cash advance granted	4, 20.4	-	3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable				On demand; Noninterest bearing	Unsecured; Unimpaired
Rent income	4, 20.2	42,625,000	1,026,406,920	Normal credit terms	Unsecured; Unimpaired
Associate:					
Revenue from services	4, 17.1, 20.1	-	997,247,698	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand; Noninterest bearing	Unsecured; Unimpaired
Cash advance obtained	4, 20.4	6,003,050	15,182,846	On demand; Noninterest bearing	Unsecured; Unimpaired
Rent income	14, 20.4	(5,084,525)	(24,915,475)	Normal credit terms	Unsecured; Unimpaired
	4, 20.2	13,393	357,322	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	4, 17.1, 20.1	174,756,542	73,651,126	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand; Noninterest bearing	Unsecured; Unimpaired
Cash advance obtained	4, 20.4	(334,734)	286,620	On demand; Noninterest bearing	Unsecured; Unimpaired
	15, 20.4	(19,325,804)	-	On demand; Noninterest bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	4, 20.1	43,736	624,093,318	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand; Noninterest bearing	Unsecured; Unimpaired
	4, 20.4	(280,771)	757,143	On demand; Noninterest bearing	Unsecured; Unimpaired
Related parties under common ownership:					
Rent income	4, 20.2	2,679,885	31,873,093	Normal credit terms	Unsecured; Unimpaired
Revenue from services	4, 17.1, 20.1	24,521,084	947,897,869	Normal credit terms	Unsecured; Unimpaired
Cash advance granted				On demand; Noninterest bearing and Noninterest bearing	Unsecured; Unimpaired
Cash advance obtained	4, 20.4	8,339,882	3,284,066,991	On demand; Noninterest bearing	Unsecured; Unimpaired
	14, 20.4	(21,782,787)	(23,503,803)	On demand; Noninterest bearing	Unsecured; Unimpaired
Interest receivable	4, 20.4	103,933,422	1,082,190,625	On demand; Noninterest bearing	Unsecured; Unimpaired
Retirement fund				Upon retirement of beneficiaries	Unsecured; Unimpaired
		-	4,677,017	Upon liquidation, Noninterest bearing	Unsecured; Unimpaired
Advances to Officers and Employees	4, 20.3	1,292,994	99,884,365	Noninterest bearing	Unsecured; Unimpaired
Key management personnel					
Compensation	20.6	61,729,064	-	On demand	Unsecured; Unimpaired

20.1 Rendering of services

In the normal course of business, the Group provides construction services to its associate, a certain previous shareholder, and other related parties. The related revenue from these transactions amounted to P668.6 million in 2025 (2024 – P226.0 million; 2023 – P869.1 million) and is recognized as part of Construction Operation Revenues account in the interim condensed consolidated statements of income. Services rendered to the above related parties are based on normal terms similar to terms that would be available to non-related parties.

The outstanding contract receivables from these transactions, which are generally unsecured and settled through cash within three to six months, and the related retention receivables, which can only be collected after a certain period of time upon acceptance by project owners of the certificate of completion, are as part of Contract and Retention receivables under Trade and Other Receivables account in the interim condensed consolidated statements of financial position (Note 4).

There were no impairment losses recognized in 2025, 2024 and 2023 for these related party receivables.

20.2 Rental of land and building

The Group is a lessee of certain parcels of land and building owned by related parties under common ownership.

The Parent Company also leases out its office space to its associates and related parties under common ownership. As a result, the Group recognized rent income amounting to P3.1 million in 2025, P2.6 million in 2024 and P6.0 million in 2023 from the lease of its office building to several related parties. This is recognized as part of Others - net under Income and Expenses section in the interim condensed consolidated statements of income. The outstanding balances arising from these transactions are presented as part of Other receivables under the Trade and Other Receivables account in the interim condensed consolidated statements of financial position (Note 4).

20.3 Advances to officers and employees

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are to be liquidated 60 days from the date the cash advances were received. The outstanding receivables from these transactions are presented as part of Trade and Other Receivables (Note 4).

No impairment losses were recognized in 2025, 2024 and 2023 for these advances.

20.4 Advances to and from related parties

The Group has provided unsecured, interest-bearing, and noninterest-bearing cash advances to its associates and certain related parties under common ownership to finance portion of their working capital requirement which are payable upon demand. Interest income arising from advances to related parties amounted to P139.7 million in 2025 (2024 – P139.7 million; 2023 – P146.6 million) are presented under Finance income. Outstanding interest receivable relating to advances to related parties amounting to P3,112.2 million in 2025 (2024 - P2,983.7 million) is presented as part of Accrued interest receivables under Trade and Other Receivables (Note 4). In 2025 and 2024, the Parent Company provided bridge financing to its parent and associates for the Group's business expansion and diversification program.

The breakdown of the outstanding balances as of March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Advances to related parties:		
Related party under common ownership	3,349,053,144	3,348,766,293
Ultimate parent company	3,169,295,108	3,089,295,108
Associates	6,283,231	4,763,231
Shareholder	889,795	889,795
	6,525,521,278	6,443,714,427
Due to related parties:		
Associates	(30,000,000)	(30,000,000)
Related party under common ownership	(51,660,000)	(52,603,200)
	(81,660,000)	(82,603,200)

Further, upon assessment of recoverability based on the capacity to pay and expected collectability of these advances, no impairment losses were recognized in 2025, 2024 and 2023.

The Group's outstanding receivables from and payables to the same related parties as presented can be potentially offset to the extent of their corresponding outstanding balances.

The Group has existing material related party transaction policy to adhere with SEC Memorandum Circular No. 10, Series of 2019 which include: the identification of related parties, coverage of material related party transactions, adjusted thresholds, identification and prevention or management of potential or actual conflicts of interests arising out of or in connection with the material related party transactions, guidelines in ensuring arm's length terms, approval of material related party transactions, self-assessment and periodic review of policy, disclosure requirements, whistleblowing mechanisms, and remedies for abusive material related party transactions. The BOD, with the assistance of the Audit and Compliance Committee shall oversee, review, and approve all related party transactions to ensure that these are conducted in the regular course of business and on an arm's length basis and not undertaken on more favorable economic terms to the related parties than with non-related or independent parties under similar circumstances. The Audit and Compliance Committee shall be granted the sole authority to review related party transactions. Those falling within the materiality thresholds set by the Group's BOD shall require the approval of the Chief Executive Officer and/or President or the BOD, as the case may be.

20.5 Others

The Parent Company's retirement plan is in the form of a bank-trustee managed account. The fair value of the retirement plan totaled to P5.2 million as of March 31, 2025 and December 31, 2024.

20.6 Key management compensation

The compensation of key management personnel for the three months ended March 31, 2025, 2024 and 2023 amounted to P61.6 million, P60.5 million and P61.7 million, respectively.

21 Commitments and contingencies

There are commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying interim condensed consolidated financial information. Management is of the opinion, that losses, if any, from these items will not have any material effect on its interim condensed consolidated financial information.

22 Earnings (loss) per share

Earnings (loss) per share is calculated as Group's profit divided by the outstanding shares of its common stock and computed as follows:

	2025	2024	2023
Continuing operations:			
Net profit (loss) attributable to shareholders of the Parent Company	213,996,964	188,375,613	(7,124,340)
Dividends on cumulative preferred shares	(107,661,703)	(107,661,703)	(109,157,357)
Net profit (loss) available to common shareholders of the Parent Company	106,335,261	80,713,910	(116,281,697)
Divided by weighted average number of outstanding common shares	2,013,409,717	2,013,409,717	2,013,409,717
Basic and diluted earnings (loss) per share	0.05	0.04	(0.06)

The Group does not have dilutive potential common shares outstanding as of March 31, 2025, December 31, 2024 and 2023; hence, diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

23 Significant accounting judgments and estimates

The preparation of the interim condensed consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the interim condensed consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

24 Risk management objectives and policies

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

The Group's risk management is coordinated with the Group's Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

24.1 Market risk

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

(a) Foreign currency risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. The Group also holds US dollar denominated cash in banks. The Group does not have any financial liabilities denominated in foreign currency.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency transactions

(b) Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

The Group is exposed to changes in market rates through its cash in banks and short-term placements which are subject to monthly repricing intervals and some short-term working capital loans which are subject to variable interest rate. Any increase in finance costs due to changes in interest rates will be mitigated by the finance income on cash and cash equivalents and short-term placements.

24.2 Credit risk

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

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

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

	Notes	2025	2024
Cash and cash equivalents*	3	4,270,188,115	5,774,438,837
Trade and other receivables - net**	4	22,505,397,150	21,947,598,672
Contract assets	6	3,823,899,802	3,385,788,211
Refundable security and bond deposits	8	255,741,720	224,200,254
		30,855,226,787	31,332,025,974

*excludes cash on hand

**excludes advances to officers and employees

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

(a) *Cash and cash equivalents*

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) *Trade and other receivables and contract assets*

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables and contract assets.

To measure the ECL, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

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

The Group identifies a default when the receivables become credit impaired or when the customer has not been able to settle the receivables when due, depending on the terms with customers or after completion and acceptance of the stage of completion as represented by the billings. In making the assessment, the Group considers the net position of the customer after advances and deposits received from the customer, reason for non-payment (i.e. dispute related to quality of work completed has been raised by the customer) and the credit standing of the customer. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty. When customer is unlikely to pay a past due account in the next year due to financial difficulty, an ECL is recognized in the books.

The Group has determined that the credit standing and liquidity of the significant portion of its receivables and customers from the construction segment are not affected severely by COVID-19 as these customers have reputable cash management strategies.

On that basis, the loss allowance as at March 31, 2025 and December 31, 2024 was determined based on months past due, as follows, for both trade and other receivables:

	Not more than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year	Total
March 31, 2025:					
Expected credit loss rate	-	-	-	29.44%	
Contract receivables	5,677,018,037	188,642,805	12,421,419	594,521,127	6,472,603,388
Lease receivables	786,067,595	23,385,057	8,122,285	329,141,605	1,146,716,542
	6,463,085,632	212,027,862	20,543,704	923,662,732	7,619,319,930
Loss allowance	-	-	-	271,899,526	271,899,526
December 31, 2023:					
Expected credit loss rate	-	-	-	27.40%	
Contract receivables	5,151,409,095	58,466,673	33,690,803	525,615,130	5,769,181,701
Lease receivables	762,307,611	17,883,719	4,841,948	466,599,306	1,251,632,584
	5,913,716,706	76,350,392	38,532,751	992,214,436	7,020,814,285
Loss allowance	-	-	-	271,899,526	271,899,526

The Group recognized an allowance for ECL amounting to P1,087.4 million representing unbilled costs incurred by the Group and assessed to be not recoverable.

The real estate sales receivables account pertaining to PH1 is secured to the extent of the fair value of the residential condominium units sold (i.e., based on current prices less estimated cost to sell) since the title to the real estate properties remains with the Group until the real estate sales receivables are fully collected. In 2024, estimated fair value of collaterals held against the real estate sales receivables of PH1 exceeded the gross maximum exposure hence, the related credit risk exposure is deemed immaterial, and the expected loss given default on real estate sales receivables is nil.

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

ECL for advances to and receivable from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Group does not consider any significant risks in the advances to and receivable from related parties since the related parties have enough capacity to pay the advances and receivables upon demand.

(c) Refundable security and bond deposits

The Group is not exposed to any significant credit risk exposures to its lessors as lease agreements were executed with reputable entities. The Group can negotiate, before the end of the lease term, to apply deposit to rentals due.

24.3 Liquidity risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

	Current		Non-current
	Within 6 months	6 to 12 months	1 to 5 years
March 31, 2025:			
Interest-bearing loans and borrowings	18,683,927,740	695,972,335	20,524,275,765
Trade and other payables	5,167,426,753	-	-
Security deposits*	-	-	63,143,081
	23,851,354,493	695,972,335	20,587,418,846
December 31, 2024:			
Interest-bearing loans and borrowings	18,159,860,564	840,625,786	21,052,079,582
Trade and other payables	4,873,013,956	-	-
Security deposits*	-	-	126,512,494
	23,032,874,520	840,625,786	21,178,592,076

*Under other non-current liabilities only, current portion of security deposits is included as part of trade and other payables

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

25 Categories, offsetting and fair values of financial assets and financial liabilities

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

	Notes	March 31, 2025		December 31, 2024	
		Carrying values	Fair values	Carrying values	Fair values
Financial assets					
At amortized cost:					
Cash and cash equivalents	3	4,276,544,271	4,276,544,271	5,780,839,900	5,780,839,900
Trade and other receivables - net	4	22,505,397,150	22,505,397,150	21,947,598,671	21,947,598,671
Refundable security and bond deposits	8	255,741,720	255,741,720	224,200,254	224,200,254
		27,037,683,141	27,037,683,141	27,952,638,825	27,952,638,825
Financial assets at FVOCI:					
Club shares		1,044,472	1,044,472	1,044,472	1,044,472
Investment in SSPI		2,500,000	2,500,000	2,500,000	2,500,000
		3,544,472	3,544,472	3,544,472	3,544,472
		27,041,227,613	27,041,227,613	27,956,183,297	27,956,183,297
Financial Liabilities					
At amortized cost:					
Interest-bearing loans and borrowings	14	35,206,990,911	35,206,990,911	35,001,996,901	35,001,996,901
Trade and other payables	13	5,167,426,753	5,167,426,753	4,872,693,155	4,872,693,155
Security deposits*	16	63,143,081	63,143,081	126,512,494	126,512,494
		40,437,560,745	40,437,560,745	40,001,202,550	40,001,202,550

25.1 Offsetting of financial assets and financial liabilities

Currently, all other financial assets and financial liabilities are settled on a gross basis and no offsetting of financial instruments has been made in 2025 and 2024. However, each party to the financial instrument (particularly related parties) will have the option to settle amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 20 can be potentially offset to the extent of their corresponding outstanding balances.

25.2 Fair value hierarchy

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

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

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

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

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

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

25.3 Financial instruments measured at amortized cost

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Level 4
March 31, 2025:				
Financial assets:				
Cash and cash equivalents	4,276,544,271	-	-	4,276,544,271
Trade and other receivables - net	-	-	22,505,397,150	22,505,397,150
Refundable security and bond deposits	-	-	255,741,720	255,741,720
	4,276,544,271	-	22,761,138,870	27,037,683,141
Financial liabilities:				
Interest-bearing loans and borrowings	-	-	35,206,990,911	35,206,990,911
Trade and other payables	-	-	5,167,426,753	5,167,426,753
Security deposit	-	-	63,143,081	63,143,081
	-	-	40,437,560,745	40,437,560,745
December 31, 2024:				
Financial assets:				
Cash and cash equivalents	5,780,839,900	-	-	5,780,839,900
Trade and other receivables - net	-	-	21,947,598,671	21,947,598,671
Refundable security and bond deposits	-	-	224,200,254	224,200,254
	4,878,885,375	-	19,237,129,921	24,116,015,296
Financial liabilities:				
Interest-bearing loans and borrowings	-	-	35,001,996,901	35,001,996,901
Trade and other payables	-	-	4,872,693,155	4,872,693,155
Security deposit	-	-	126,512,494	126,512,494
	-	-	40,001,202,550	40,001,202,550

25.4 Fair value measurement for investment property carried at cost

The table below shows the fair value of the Group's investment property measured at cost but for which fair value is disclosed and determined under the Level 3 fair value hierarchy.

	Notes	2025	2024
Building for lease	10	3,985,165,000	3,985,165,000
Land	10	1,915,926,447	1,915,926,447
		5,901,091,447	5,901,091,447

The fair value of certain parcels of land are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land, and the comparable prices in the corresponding property location. The fair value of other parcels of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Both valuation processes were applied as sale comparable method.

In estimating the fair value of investment property, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use. In 2024 and 2023, the Level 3 fair value of commercial area under investment properties was determined using the cost approach which considers a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay.

Valuations are performed with sufficient regularity at least once every three (3) years enough to ensure that the fair value of the revalued asset does not differ significantly from its carrying value.

26 Reconciliation of liabilities arising from financing activities

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Bank loans (Note 14)	Notes payable (Note 14)	Lease liabilities (Note 12)	Bonds payable (Note 14)	Exchangeable Note	Total
Balance as of January 1, 2025	24,044,702,077	1,840,000,000	182,400,913	8,934,893,911	-	35,001,996,901
Cash flows from financing activities:						
Additional borrowings	5,964,297,644	-	-	-	-	5,964,297,644
Repayment of borrowings	(5,746,173,050)	-	(20,142,245)	-	-	(5,766,315,295)
Non-cash financing activities:						
Amortization of deferred charges	-	-	-	7,011,661	-	7,011,661
Balance as of March 31, 2025	24,262,826,671	1,840,000,000	162,258,668	8,941,905,572	-	35,206,990,911
Balance as of January 1, 2024	21,090,547,054	5,388,000,000	169,586,723	3,953,869,786	7,763,200,000	38,365,203,563
Cash flows from financing activities:						
Additional borrowings	21,009,276,628	-	134,957,650	5,000,000,000	-	26,144,234,278
Repayment of borrowings	(18,055,121,605)	(3,548,000,000)	(160,464,198)	-	-	(21,763,585,803)
Non-cash financing activities:						
Effect of consolidation of a subsidiary	-	-	-	-	-	-
Remeasurement	-	-	18,184,535	-	-	18,184,535
Maturations of Exchangeable note	-	-	20,136,203	-	(7,763,200,000)	(7,763,200,000)
Additional lease liabilities	-	-	-	(18,975,875)	-	(18,975,875)
Amortization of deferred charges	-	-	-	-	-	-
Balance as of December 31, 2024	24,044,702,077	1,840,000,000	182,400,913	8,934,893,911	-	35,001,996,901
Balance as of January 1, 2023	18,112,968,586	5,444,000,000	281,819,227	3,940,233,693	7,763,200,000	35,542,221,506
Cash flows from financing activities:						
Additional borrowings	15,962,201,900	-	-	-	-	15,962,201,900
Repayment of borrowings	(13,484,686,134)	(56,000,000)	(107,716,696)	-	-	(13,648,402,830)
Non-cash financing activities:						
Effect of consolidation of a subsidiary	500,062,702	-	8,412,681	-	-	508,475,383
Pre-termination	-	-	(36,735,903)	-	-	(36,735,903)
Additional lease liabilities	-	-	23,807,414	-	-	23,807,414
Amortization of deferred charges	-	-	-	13,636,093	-	13,636,093
Balance as of December 31, 2023	21,090,547,054	5,388,000,000	169,586,723	3,953,869,786	7,763,200,000	38,365,203,563

27 Capital management objectives, policies and procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented on the consolidated statements of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, re-issuance of treasury shares or sell assets to reduce debt.

	Note	March 31, 2025	December 31, 2024
Interest-bearing loans and borrowings (excluding lease liabilities)	14	35,044,732,243	34,819,595,988
Total equity		16,971,113,425	16,991,940,841
		2.06:1.00	2.05:1.00

28 Summary of material accounting policies

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

28.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements

(a) Statement of Compliance with PFRS Accounting Standards

The interim condensed consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The preparation of the interim condensed consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(b) Presentation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, Presentation of Financial Statements. The Group opted to present a separate consolidated statement of total comprehensive income and consolidated statement of comprehensive income.

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

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

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

28.2 Adoption of Amended Standards

(a) New standards, amendments and interpretations applied by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing January 1, 2024:

- Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants - Amendments to PAS 1

Amendments made to PAS 1, "Presentation of Financial Statements" in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in PAS 8, *"Accounting Policies, Changes in Accounting Estimates and Errors"*.

Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The adoption did not have a significant impact on the Group's financial statements as at March 31, 2025 and December 31, 2024.

- Adoption of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of the PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Group availed pertain to 'Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)' with allowed deferral period until December 31, 2023.

Effective January 1, 2024, the Group elected to apply such amendments by recognizing the cumulative effect as an adjustment to the retained earnings as at January 1, 2024, which is the date of initial application. The Group elected to apply such amendments retrospectively only to contracts that are not completed contracts at the date of the initial application.

- IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23)

In March 2019, IFRIC published an Agenda Decision on Over Time Transfer of Constructed Goods to clarify whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue will be recognized over time under paragraph 35(c) of IFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under IAS 23 considering that these inventories are ready for their intended sale in their current condition.

On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which extended the deferral of the above IFRIC Agenda Decision until December 31, 2023. Effective January 1, 2024, the Group elected to apply such amendments by recognizing the cumulative effect as an adjustment to the retained earnings as at January 1, 2024, which is the date of initial application.

- Lease liability in sale and leaseback - Amendments to PFRS 16

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in PFRS 16, "Leases" which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The adoption did not have a significant impact on the Group's financial statements as at March 31, 2025 and December 31, 2024.

- Supplier Finance Arrangements - Amendments to PAS 7 and PFRS 7

On May 25, 2023, the IASB issued amendments to PAS 7 and PFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

- The terms and conditions of SFAs.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements
- Non-cash changes in the carrying amounts of financial liabilities in (2).
- Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The adoption did not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group.

- PFRS 18 Presentation and Disclosure in Financial Statements (*Effective beginning on or after January 1, 2027*)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at March 31, 2025 and December 31, 2024 reporting periods. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

29 Events after the end of the reporting period

Preferred Shares Dividends

The Parent Company's BOD approved the declaration of dividends on the following dates which shall be taken out of the unrestricted earnings of the Group as of March 31, 2025.

	2 nd quarter	Amount per share
Series 4 Preferred shares:		1.33
Approval dates	May 24, 2025	
Record dates	April 10, 2025	
Payment dates	April 29, 2025	
Series 2B Preferred shares:		1.44
Approval dates	April 22, 2025	
Record dates	May 13, 2025	
Payment dates	May 27, 2025	

14 April 2025

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

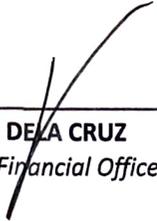
Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Quarterly Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the Quarter Ended 31 March 2025; and
2. Report of Independent Auditors on Factual Findings.

MEGAWIDE CONSTRUCTION CORPORATION

By:



JEZ G. DE LA CRUZ
Chief Financial Officer

15 April 2025

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Re: **MEGAWIDE CONSTRUCTION CORPORATION**
Quarterly Progress Report as of and for the Quarter Ended 31 March 2025 on the Application of Proceeds from the Preferred Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 27 November 2020, we submit herewith the Company's quarterly report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the quarter ended 31 March 2025 are as follows:

Offering Proceeds (43,626,010 shares at PhP 100.00 per share)	PhP	4,362,601,000.00
Less: Expenses related to the public offering*		
Underwriting fees		23,881,930.83
Registration and filing fees		6,830,655.00
Professional fees		5,986,013.50
Documentary stamp tax		436,260.10
Net Offering Proceeds	PhP	4,325,466,140.57
Less: Disbursements		
Accumulated costs incurred as of December 31, 2024		3,077,091,554.49
Costs incurred for the quarter ended March 31, 2025		17,050,481.10
	PhP	3,094,142,035.59
Balance of the Offering Proceeds as of March 31, 2025	PhP	1,231,324,104.98

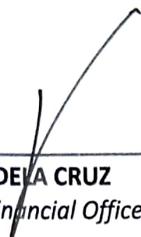
**The expenses related to the preferred shared offering amounting to PhP 37.1 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital. The Company charged this amount against the proceeds from the offering in the last quarter of 2020.*

We hope you find everything in order.

Very truly yours,

MEGAWIDE CONSTRUCTION CORPORATION

By:



JEZ G. DE LA CRUZ
Chief Financial Officer



Agreed-upon Procedures Report on Quarterly Progress Report on Independent Use of Proceeds from the Listing of Megawide Construction Corporation

To the Board of Directors and Stockholders
Megawide Construction Corporation
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy, Valencia, Quezon City

Purpose of this Agreed-upon Procedures Report

Our report is solely for the purpose of assisting Megawide Construction Corporation (the “Company”) in connection with the Company’s compliance with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor’s certification on the information being presented by the Company with respect to the Quarterly Progress Report (the “Report”) dated April 15, 2025 on the application of net proceeds received by Company from its shares offering (“Offering Proceeds”) as at March 31, 2025 and for the period from November 27, 2020 (listing date) to March 31, 2025 relating to the application of the Offering Proceeds and not may not be suitable for another purpose.

Responsibilities of the Engaging Party

The board of directors and shareholders of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board of Accountants (IESBA) Code.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph



Our firm applies Philippine Standard on Quality Control (PSQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 14, 2025 performed solely to assist the Company comply with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's certification on the information being presented by the Company relating to the application of the Offering Proceeds.

The agreed-upon procedures and the results thereof are summarized as follows:

1. Obtained and checked the mathematical accuracy of the following:
 - a. The Report;
 - b. Reallocation of the Use of Proceeds Report;
 - c. Schedule of planned use of proceeds from the Offering Prospectus; and,
 - d. Detailed schedule of utilization of proceeds as of and for the quarter ended March 31, 2025.

No exceptions noted.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the quarter ended March 31, 2025 based on the information we obtained from the Company.

	Initial Balance of Allocation of Offering Proceeds on November 27, 2020	Revised Allocation of Offering Proceeds as of February 26, 2021	Application of Offering Proceeds as of December 31, 2024	Application of Offering Proceeds for the Quarter ended March 31, 2025	Balance of Offering Proceeds as of March 31, 2025
Ninoy Aquino International Airport (NAIA) rehabilitation	1,224,188,530	-	-	-	-
Development of Cebu Integrated Transport Hub	830,037,568	1,274,700,551	1,274,700,551	-	-
Expansion of MCIA Under Concession Agreement 2 (CA2)	816,125,687	816,125,687	816,125,687	-	-
Development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations	647,702,951	994,686,674	-	17,050,481	977,636,193
Expansion of Pre-cast and other ancillary business	375,609,437	576,828,779	576,828,779	-	-
Mactan Cebu International Airport (MCIA) multi-use development	215,900,984	331,562,225	77,874,313	-	253,687,912
General corporate purposes	215,900,984	331,562,225	331,562,225	-	-
	4,325,466,141	4,325,466,141	3,077,091,555	17,050,481	1,231,324,105



2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the quarter ended March 31, 2025. No exceptions noted.

	Amount	
	Per Report	Per schedule of disbursements
Use of proceeds	17,050,481	17,050,481

3. We compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus and its subsequent revision of allocation as approved by the Company's Board of Directors (BOD) on February 26, 2021 and disclosed in the Philippine Stock Exchange Electronic Disclosure Generation Technology on March 1, 2021. No exceptions noted.
4. We inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds. Disbursement for the quarter pertain to the development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations. No exceptions noted.
5. We traced the reported application of Offering Proceeds amounting to P17,050,481 for the period January 1, 2025 to March 31, 2025 to the Company's accounting records and certain material transactions to corresponding supporting documents. No exceptions noted.

Restriction on distribution and use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.


Pochoy C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 3, 2025 at Makati City

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2025

Accounts Receivable Aging

	<u>Not more than 3</u> mos.	<u>More than 3 mos.</u> but not more than	<u>More than 6 mos.</u>	<u>More than 1 year</u>	<u>TOTAL</u>
March 31, 2025					
Contract receivables	5,677,018,037	188,642,805	12,421,419	594,521,127	6,472,603,388
Rental receivables	786,067,595	23,385,057	8,122,285	329,141,605	1,146,716,542
	6,463,085,632	212,027,862	20,543,704	923,662,732	7,619,319,930