

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

MARIVIC S. VICTORIA

(Contact Person)

(+632) 8403-6910

(Company Telephone Number)

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Month Day
(Fiscal Year)

2025

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(Form Type)

0	6	Last	Fri
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Month Day
(Annual Meeting)

	N.A.
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(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

1,903¹

Total No. of Stockholders

Total Amount of Borrowings

[illegible]

Domestic

of Borrowings

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document ID

Cashier

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Remarks: Please use BLACK ink for scanning purposes.

¹ This is as of 31 December 2025 and refers to common shareholders only.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **31 December 2025**
2. SEC Identification Number **ASO-94-007160** 3. BIR Tax Identification No. **004-450-721-000**
4. Exact name of issuer as specified in its charter **ARTHALAND CORPORATION**
5. **Metro Manila, Philippines** (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street**
Bonifacio Global City, Taguig City **1634**
Address of principal office Postal Code
8. **(+632) 8403-6910**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA:

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

11. Are any or all of these securities listed on a Stock Exchange? Yes ☒ No ☐
If yes, state the name of such stock exchange and the classes of securities listed therein:

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

12. Check whether the issuer:
 - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or 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 ☐
 - (b) has been subject to such filing requirements for the past ninety (90) days: Yes ☒ No ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>Market Price (₱) as of 31 March 2026</u>	<u>Total Amount (₱)</u>
1. Tina Keng	25,000,000	0.43 per share	10,750,000.00
2. EQL Properties, Inc.	14,671,125		6,308,583.75
3. Urban Bank Trust Department – A/C No. 625	4,838,488		2,080,549.84
4. RBL Fishing Corporation	4,350,000		1,870,500.00
5. Veronica D. Reyes	3,799,272		1,633,686.96
6. Veronica D. Reyes and/or Cecilia D. Reyes	2,654,061		1,141,246.23
7. Theodore G. Huang and/or Corazon B. Huang	2,501,250		1,075,537.50
8. Anito Tan and/or Lita Tan	2,027,049		871,631.07
9. Kwan Yan Dee and/or Christina Dee	1,631,250		701,437.50
10. Dante Garcia Santos	1,631,250		701,437.50

Documents Incorporated by Reference:

- Audited Financial Statements for the period ended as of 31 December 2025 (Consolidated and Separate) with Statement of Management Responsibility
- Sustainability Report for 2025

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PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. Business

a. Corporate Overview

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

ALCO was incorporated on 10 August 1994² for the primary purpose of engaging in the realty development business, including home building and development, and to deal, engage, invest and transact, directly or indirectly, in all forms of business and mercantile acts and transactions concerning all kinds of real property, including but not limited to the acquisition, construction, utilization and disposition, sale, lease, exchange or any mode of transfer of residential, industrial or commercial property. Its principal office is at the 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City (BGC), Taguig City 1634.³

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

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

On 22 September 2016, ALCO’s authorized capital stock was increased⁴ to ₱2,996,257,135.82 divided into ₱2,946,257,135.82 of Common shares (consisting of 16,368,095,199 Common shares with a par value of ₱0.18 per share), and ₱50,000,000.00 of redeemable, non-voting and non-participating Preferred shares (consisting of 50,000,000 Preferred shares with a par value of ₱1.00 per share).

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

² The company was originally registered as Urbancorp Realty Developers, Inc. but was renamed in 2003 as EIB Realty Developers, Inc. On 26 January 2009, the Securities and Exchange Commission (SEC) approved anew the change of the corporate name to Arthaland Corporation (ALCO).

³ Approved by the SEC on 04 September 2018.

⁴ The authorized capital stock was originally ₱2,946,257,135.82 only divided into 16,368,095,199 Common shares at a par value of ₱0.18 per share.

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

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

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

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

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

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

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

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

On 27 June 2024, ALCO redeemed all the outstanding 10,000,000 Preferred Shares Series C. These were cancelled and were recorded as treasury shares of the Company

pursuant to the 2019 Terms of the Offer for the said shares.

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

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

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

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

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

Also, CPG and AOCH1 continue to be the largest stockholders of ALCO with 40.29% and 26.02%, respectively, of the total issued and outstanding shares.

b. Business/Projects

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

(This portion is intentionally left blank.)

<u>Project Name</u>	<u>GFA⁵</u> <u>(in</u> <u>square</u> <u>meters</u> <u>[sqm])</u>	<u>NLA⁶/</u> <u>NSA⁷</u> <u>(in sqm)</u>	<u>Location</u>	<u>Development</u> <u>Type</u>	<u>Year or</u> <u>Expected Year</u> <u>of Completion</u>
Arya Residences	76,284	67,876	BGC, Taguig City	Residential	Tower I - 2013 Tower II - 2016
Arthaland Century Pacific Tower	34,295	32,016	BGC, Taguig City	Office	2019
Cebu Exchange	108,564	89,018	Salinas Drive, Cebu City	Office	Q2 2022
Savya Financial Center	59,763	49,078	Arca South, Taguig City	Office	North Tower – Q2 2022 South Tower - Q4 2022
Sevina Park	130,976	97,834	Biñan, Laguna	Mixed use	In phases from 2022 onward
Lucima	28,063	21,927	Cebu Business Park, Brgy. Hipodromo, Cebu City	Residential	2027
Sondris (formerly Makati CBD Residential 1)	15,313	11,485	Makati City	Residential	2029
Eluria	14,656	11,729	Makati City	Residential	2025
Project Olive	254,979	187,279	Metro Manila	Mixed Use	In phases from 2029 onward
Project Vanilla ⁸	200,158	144,114	Cebu City	Mixed Use	In phases from 2029 onward

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

⁵ GFA or Gross Floor Area, which is the total floor space within the perimeter of the permanent external building walls (inclusive of main and auxiliary buildings) such as office areas, residential areas, corridors, lobbies and mezzanine level/s. The GFA also includes building projections which may serve as floors or platforms that are directly connected to/integrated with areas within the building/structure, e.g., balconies, and the GFA excludes the following: (a) Covered areas used for parking and driveways, services and utilities; (b) Vertical penetrations in parking floors where no residential or office units are present; and (c) Uncovered areas for helipads, air-conditioning cooling towers or air-conditioning condensing unit balconies, overhead water tanks, roof decks, laundry areas and cages, wading or swimming pools, whirlpool or jacuzzis, terraces, gardens, courts or plazas, balconies exceeding ten square meters, fire escape structures and the like.

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

⁷ NSA or Net Saleable Area, which is the total saleable area that includes, but is not limited to, all internal walls, mezzanines, bathrooms, pipe chases, columns and balconies depending on a specific project's terms of reference.

⁸ Formerly known as Project Midtown.

building rating tools, specifically the Excellence in Design for Greater Efficiencies (EDGE) rating system of the International Finance Corporation (IFC), and the WELL Building Standard™ (WELL™) rating system of the International WELL Building Institute (IWBI).

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

Arya Residences (Arya)

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

Arya achieved LEED Gold certification from USGBC in 2016 and BERDE 4-Star certification from PHILGBC in 2018, making it the first dual-certified residential development in the Philippines under these rating systems. In 2020, it achieved a 3-Star certification under PHILGBC's Advancing Net Zero/PH (ANZ/PH) program. In 2025, Arya earned the Health-Safety Rating from IWBI, reinforcing its commitment to occupant health, safety, and sustainability.

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

Arthaland Century Pacific Tower (ACPT)

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

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

operational standards for health and safety since 2021.

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

Cebu Exchange (CebEx)

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

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

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

Sevina Park

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

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

- (i) Courtyard Hall, a 348-bed dormitory located on an approximately

4,000 sqm lot within Sevina Park, commenced operations in 2019 and primarily serves students, faculty, and staff of De La Salle University Laguna.

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

Savya Financial Center (SFC)

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

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

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

Lucima

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

purpose company, Bhavana Properties, Inc.

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

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

Eluria

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

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

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

LIV

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

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

Sondris (formerly Makati CBD Residential Project 1)

Sondris is a planned high-rise luxury residential development by Zileya Land Development Corporation, located on a 2,018-sqm lot along Antonio Arnaiz Avenue in Makati City. ALCO initially acquired a 47.4% interest in the property in 2019, with the objective of developing a sustainable, multi-certified residential development, and completed the acquisition of the remaining interest in June 2025. Sondris was subsequently launched in February 2026.

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

Project Olive

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

Project Vanilla

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

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

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

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

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

c. Subsidiaries

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

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

Property Management, Inc.) was incorporated on 31 July 2008.⁹ The SEC approved the change of name to APPS on 25 May 2023.

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

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

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

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

- iii. **Bhavya Properties, Inc. (Bhavya)** was incorporated on 19 July 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle ALCO used in acquiring the 916 sqm property¹¹ located at 119 Rada Street, Legaspi Village, Makati City, which is now the site of *Eluria*.

Bhavya presently has an authorized capital stock of ₱100,000,000.00 consisting of 50,000,000 common shares and 50,000,000 preferred shares, both with a par value of ₱1.00 per share, with total subscribed and paid-up capital at ₱27,455,000.00. ALCO holds 15,000,000 common shares and 1,473,000 preferred shares of Bhavya, while Narra¹² holds 10,000,000 common shares and 982,000 preferred shares.

- iv. **Cazneau Inc.** was incorporated on 31 July 2008, principally to engage in the

⁹ APPS was originally registered as Technopod, Inc. but was renamed Emera on 30 October 2013.

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

¹¹ Formerly First Capital Condominium.

¹² See Footnote 11.

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

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

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

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

In 2022 and 2023, CLLC reclassified portions of CebEx from real estate inventories to investment properties, comprising approximately 13,375 sqm of office units¹³, 2,628 sqm of retail units, and 36 non-appurtenant parking slots, for lease to tenants and to generate recurring income.

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

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

- vii. **Manchesterland Properties, Inc. (MPI)** was incorporated on 27 March 2008 and was the registered owner of the 6,357-sqm parcel of land located along McKinley Parkway on which Arya Residences now stands, prior to the conveyance of said land in favor of Arya Residences Condominium Corporation

¹³ 8,059 sqm in 2022 and 5,316 sqm in 2023.

in December 2016. It still owns nine (9) commercial units and several parking slots in said development.

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

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

- viii. **Pradhana Land, Inc.** was incorporated on 09 September 2019 with the primary purpose of engaging in the realty development business. This is the investment vehicle that ALCO will use for its succeeding projects, the details of which will be disclosed at the appropriate time.

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

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

In a shareholders' agreement, it was agreed that SLDC will be owned 50:50 between Kashtha Holdings, Inc. (described below) and the principal shareholder of Arcosouth, Help Holdings, Inc.¹⁴, such that the former will have 100% of the economic interest in the North Tower of *Savya Financial Center*, while the latter will have 100% economic interest in the South Tower. Under this arrangement, Kashtha Holdings, Inc. is entitled to all the profits from and is responsible only for all the funding requirements of the North Tower of *Savya Financial Center*.

SLDC has an authorized capital stock of ₱200,000,000.00 consisting of 750,000 common Class A shares and 750,000 common Class B shares, both with a par value of ₱100.00 per share, and 50,000,000 preferred shares with a par value of ₱1.00 per share. Its subscribed capital at ₱72,707,253.00 is broken down into 500,000 common Class A shares, 7,500 common Class B shares, and

¹⁴ HHI is a holding company existing and duly organized under the laws of Philippines with principal office address at the 31st Floor Penthouse, High Street South Corporate Plaza Tower 1, 26th Street, Bonifacio Global City Taguig City 1634.

21,957,253 preferred shares, with paid-up capital at ₱34,707,253.00 consisting of 500,000 common Class A shares and 7,500 common Class B shares, and 21,957,253 preferred shares. To date, Kashtha Holdings, Inc. continues to own 98.5% of SLDC.

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

- x. **Kashtha Holdings, Inc. (KHI)** was incorporated on 01 October 2019 as a joint venture company between ALCO and Mitsubishi Estate Company, Limited (MEC), a corporation duly organized and existing under the laws of Japan¹⁵, for purposes of holding their investment in SLDC.

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

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

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

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

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

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

¹⁵ With address at Otemachi Park Building, 1-1 Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8133 Japan.

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

Subject to matters disclosed in Item 3 (Legal Proceedings) of this Report, none of these subsidiaries are engaged in any bankruptcy, receivership or similar proceedings. Also, for the period covered by this Report and as of the date of this Report, these subsidiaries are neither parties to any transaction which involves material reclassification, merger, consolidation or purchase or sale of a significant amount of assets, except as otherwise discussed in this Report.

d. Competition

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

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

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

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

ALCO considers two (2) direct competitors in the high-end residential market segment in terms of comparable quality of development and pricing of products – Ayala Land, Inc. and Rockwell Land Corporation. These companies have been in the business many years earlier than ALCO and they have strong brand equity, long track record, and big balance sheets. In the office development front, ALCO competes with both large and medium-scale developers such as Ayala Land, Inc., The Net Group, Daiichi Properties, and other local developers, particularly in Cebu City. These companies are considered to have the greater share of the market at the moment.

ALCO intends to primarily capitalize on its niche market by developing projects in distinct locations, which are unique and special in terms of design, high quality of construction, and sustainable and wellness features. ALCO is the pioneer in sustainable developments, being the first and only company to have a portfolio of office and residential projects that is 100% certified as sustainable under the LEED, BERDE, EDGE and WELL certification programs. It intends to continue to provide distinctive

products with better quality at competitive pricing. ALCO is able to achieve this given its strong but lean management team as well as its organization as a whole.

e. Industry Risk

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

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

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

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

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

Geopolitical tensions in the Middle East pose additional risks to the Philippine economy through potential increases in global oil prices, inflationary pressures, foreign exchange volatility, and remittance flows. Prolonged disruptions may weigh consumer spending, investment sentiment, and financing conditions.

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

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

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

f. Sources and availability of raw materials

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

g. Advances to Related Parties

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

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

h. Patents and Trademarks

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

i. Government approval for principal products or services

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

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

j. Cost and Effects of Compliance with Environmental Laws

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

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

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

k. Employees

As of 31 December 2025, ALCO had a total of 172 personnel, 71 of whom are in management and 101 are non-managers¹⁶. As of the same period, ALCO also engaged 240 sales agents.

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

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

l. Working Capital

ALCO finances its projects through internally generated funds, loans from banks, funds from joint venture partners, and funds raised from its public offering of preferred shares and bonds. ALCO may also obtain support from its major shareholders, such as the non-interest-bearing loans obtained from Centrobless Corporation¹⁷, a majority owned subsidiary of Century Pacific Group, Inc., which is the same majority shareholder of CPG, ALCO's largest stockholder at present, and from Signature Office Property, Inc.¹⁸, which is majority-owned and chaired by ALCO Director Jaime Enrique Y. González.

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

ITEM 2. Properties

ALCO, by itself or through special purpose companies identified in *Item 1, paragraph c* of this Report, has interests in various properties in the country as discussed in *Item 1, paragraph b* above.

ALCO also has in its portfolio 8.5 hectares in Laurel, Batangas and 1.8 hectares in Tagaytay, but the plans for these properties have yet to be determined at this time.

Operating Lease Commitments as Lessee

ALCO is a lessee under non-cancellable operating leases. For short-term and low value leases, rent expense recognized amounted to ₱11.1 million in 2025, ₱6.5 million in 2024, and ₱6.10 million in 2023.

¹⁶ These employees do clerical, administrative and operational day to day tasks, are given directives, and do not have any authority to make decisions for the Company.

¹⁷ The loan amounting to ₱1,650,643,779.00 was fully settled as of 31 December 2018.

¹⁸ This loan amounting to ₱207,051,912.00 was fully settled as of 31 December 2018.

Operating Lease Commitments as Lessor

ALCO entered into various lease agreements for ACPT office units for periods ranging from one (1) year to 10 years. Majority of these lease agreements include an annual escalation clause of 5% of the existing lease rental. None of them provide for any contingent rent.

In addition, MPI has various lease agreements for the retail units in Arya Residences. The term of the lease ranges from two (2) to five (5) years. The agreements also provide for various escalation rates for the duration of the lease.

Cazneau also entered into lease agreements for its dormitory units in Courtyard Hall, the term of which is renewable every trimester.

In 2025, SLDC and CLLC entered into lease agreements for the lease of office and retail units and parking slots in SFC and CebEx, respectively, with lease terms ranging from 5 to 10 years.

Leasing revenue recognized from these operating leases amounted to ₱705.1 million in 2025, ₱414.9 million in 2024, and ₱366.3 million in 2023. Lease receivables amounted to ₱130.5 million and ₱163.1 million as at 31 December 2025 and 2024, respectively, while accrued rent receivable amounted to ₱37.7 million and ₱18.0 million for the same period. As at 31 December 2025 and 2024, advance rent from tenants amounted to ₱72.5 million, and ₱58.5 million, respectively, while security deposits, which may be applied to unsettled balances or refunded at the end of the lease term, amounted to ₱147.5 million and ₱125.3 million for the same period.

ITEM 3. Legal Proceedings

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

1. Termination of Trust Account

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

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

However, in view of Administrative Matter No. 19-12-02 or the *Rules on Liquidation*

of *Closed Banks* issued on 16 April 2020, ALCO, upon advice of counsel, deemed it more appropriate to have all its claims against EIB ventilated before the liquidation court itself, *i.e.* the Regional Trial Court of Makati City, Branch 149, and for this purpose, filed an Urgent Motion before said court on 13 February 2023 for it to give due course to its foregoing claim.

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

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

2. Quieting of Title

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

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

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

The City of Tagaytay and one of the individual defendants¹⁹ filed an appeal before the Court of Appeals which affirmed the 05 June 2020 Order of the trial court on 31 July

¹⁹ The lone defendant who appealed is Ms. Rosalinda Reyes.

2023 and denied their separate Motions for Reconsideration on 15 February 2024. Both filed petitions for review under Rule 45 of the Rules of Court before the Supreme Court in April 2024 while UPHI submitted its Comment/Opposition to the same in October 2024.

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

3. Expropriation

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

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

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

4. Claim for Refund

- a. A buyer²⁰ offered to purchase a unit in Arya Residences in November 2012, paid the reservation fee but failed to pay the final amortization and other charges which became due in January 2014, on the ground that a viewing of the unit was not allowed beforehand, notwithstanding that pursuant to the Contract to Sell signed, full payment of the account is required prior to turnover of the unit. A viewing of the unit is not scheduled until the account is fully paid since inspection is the initial step of the turnover process. All buyers of Arya Residences were treated in the same manner.

In November 2017, the buyer filed a complaint before the Housing and Land Use Regulatory Board (HLURB)²¹ and demanded the return of all payments made in a span of one (1) year amounting to ₱942,718.53. In a Decision dated 05 April 2019,

²⁰ The complainant is Ms. Anita Medina-Yu.

²¹ Now Department of Human Settlements and Urban Development.

ALCO was directed to refund this amount to the buyer and pay attorney's fees and actual damages in the total amount of P70,000.00.

On 15 May 2019, ALCO appealed the foregoing Decision before the Office of the President arguing, among others, that Republic Act (R.A.) No. 6552 should have been applied as it is the special law governing transactions that involve, subject to certain exceptions, the sale on installment basis of real property. However, the adverse Decision was affirmed in a Resolution dated 01 October 2021 on the ground of lack of jurisdiction per Section 42 of the Implementing Rules and Regulations of R.A. No. 11201²², *i.e.* the matter should have been brought before HLURB Arbiters and Commissioners and thereafter, to the Court of Appeals, and not the Office of the President.

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

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

- b. In March 2019, a husband and his wife²³ agreed to purchase (6) condominium units in Savya Financial Center North Tower, paid the initial downpayment of P20,416,226.20 but defaulted in the rest of their obligations. The sale was duly cancelled, and all payments made were forfeited pursuant to the provisions in the contracts to sell they have executed with SLDC.

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

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

²² Department of Human Settlements and Urban Development Act

²³ The complainants are Spouses Cecilia Cuevas and Roger Cuevas.

5. Labor

On 28 June 2022, a former Sales Agent²⁴ of CLLC filed a complaint against ALCO before the National Labor Relations Commission Regional Arbitration Branch No. VII, Cebu City (NLRC) claiming illegal suspension and demanding payment of back wages, separation pay, 13th month pay, incentive and damages.

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

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

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

6. Liquidation Proceedings of Former Lessee

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

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

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

7. Republic Act No. 26

CLLC filed a Petition to cancel the annotation in Transfer Certificate of Title No. 107-2015002572, one of the parcels of land on which Cebu Exchange now stands. The said

²⁴ The complainant is Ms. Ella Dior O. Abad.

annotation is pursuant to Section 7 of Republic Act No. 26 (otherwise known as “*An Act Providing a Special Procedure for the Reconstitution of Torrens Certificates of Title Lost or Destroyed*”). CLLC’s title originated from reconstituted certificates of title that were judicially reconstituted on 02 March 1950. More than two years have lapsed since then; hence, the recorded encumbrance may now be canceled.

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

8. Qualified Theft

On 8 October 2025, APPS and Cazneau filed a criminal complaint with the Office of the City Prosecutor of Biñan, Laguna against a former APPS employee²⁵ hired as Property Management Administrative Assistant and assigned to Courtyard Hall. Investigation revealed that said former employee unlawfully collected rent from dormers and deliberately did not remit the same to Cazneau at the time and despite formal demand to do so.

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

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

9. Construction Industry Arbitration Commission

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

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

ITEM 4. Submission of Matters to a Vote of Security Holders

During the Annual Stockholders’ Meeting held on 27 June 2025, in addition to the election of the members of the Board of Directors for the year 2025-2026, the following matters were submitted to the vote and were subsequently approved, noted and/or ratified by the stockholders: (1) the minutes of the Annual Stockholders’ Meeting held on 28 June 2024, (2) the Management Report, (3) the acts of the Board of Directors and Management for the year 2024-2025, (4) the amendment to Article SEVENTH of the Articles of Incorporation to decrease the Authorized Capital Stock by ₱10.0 Million, and (5) the appointment of Reyes Tacandong & Co. as external

²⁵ Ms. Mariel P. Galenzoga

auditor of ALCO for 2025.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. Market for Issuer’s Common Equity and Related Stockholder Matters

a. Market Information

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

Common

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

Preferred Shares Series D

	<u>2025</u>			<u>2024</u>			<u>2023</u>		
Quarter	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
1	499.80	450.20	499.80	500.00	432.00	451.00	500.00	494.80	500.00
2	479.40	465.00	479.40	479.80	400.00	430.00	490.00	489.80	490.00
3	460.80	455.20	460.80	480.00	430.40	450.20	450.00	440.00	450.00
4	485.00	471.00	485.00	476.40	445.20	464.40	500.00	500.00	500.00

Preferred Shares Series F

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

b. Security Holders

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

Common	-	5,318,095,199
Preferred Series A	-	12,500,000
Preferred Series D	-	6,000,000
Preferred Series E	-	14,000,000 ²⁶
Preferred Series F	-	4,964,860

²⁶ 1,500,000 shares were issued on 05 March 2024 while 12,500,000 were issued on 15 August 2024.

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

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

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

Article Seventh of ALCO's Articles of Incorporation provides that its shares of stock are not subject to pre-emptive rights of the stockholders and may therefore be issued in such quantities at such times and with such features as the Board of Directors may determine and prescribe provided, that the Preferred shares shall be redeemable, non-voting and non-participating. Article Tenth further provides that no issuance or transfer of shares of stock shall be allowed if it will reduce the ownership of Filipino citizens to less than the percentage required by law.

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

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

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

All 20,000,000 Preferred Shares Series B were redeemed as of 06 December 2021 and have been cancelled and removed from ALCO's authorized capital stock.

All 10,000,000 Preferred Shares Series C were redeemed on 27 June 2024 and have been cancelled and removed from ALCO's authorized capital stock as of 18 March 2026.

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

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

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

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

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

c. Dividends

ALCO declared cash dividends to Common stockholders, as follows:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount/Share</u>
28 June 2013	26 July 2013	22 August 2013	₱0.012
10 March 2014	28 March 2014	22 April 2014	₱0.036
09 March 2015	23 March 2015	08 April 2015	₱0.012
28 February 2017	14 March 2017	07 April 2017	₱0.012
21 March 2018	06 April 2018	02 May 2018	₱0.012
21 June 2019	08 July 2019	31 July 2019	₱0.012
26 June 2020	10 July 2020	31 July 2020	₱0.012
25 June 2021	09 July 2021	30 July 2021	₱0.012
24 June 2022	11 July 2022	04 August 2022	₱0.012
30 June 2023	17 July 2023	10 August 2023	₱0.012
28 June 2024	19 July 2024	09 August 2024	₱0.012
27 June 2025	15 July 2025	08 August 2025	₱0.012

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

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount/Share</u>
08 February 2017	24 February 2017	06 March 2017	₱1.76145
10 May 2017	25 May 2017	06 June 2017	₱1.76145
09 August 2017	23 August 2017	06 September 2017	₱1.76145
26 October 2017	24 November 2017	06 December 2017	₱1.76145
10 January 2018	09 February 2018	06 March 2018	₱1.76145
09 May 2018	23 May 2018	06 June 2018	₱1.76145
01 August 2018	16 August 2018	06 September 2018	₱1.76145
24 October 2018	12 November 2018	06 December 2018	₱1.76145

21 February 2019	01 March 2019	06 March 2019	₱1.76145
08 May 2019	22 May 2019	06 June 2019	₱1.76145
07 August 2019	22 August 2019	06 September 2019	₱1.76145
23 October 2019	15 November 2019	06 December 2019	₱1.76145
29 January 2020	14 February 2020	06 March 2020	₱1.76145
06 May 2020	21 May 2020	06 June 2020	₱1.76145
05 August 2020	19 August 2020	06 September 2020	₱1.76145
21 October 2020	13 November 2020	06 December 2020	₱1.76145
27 January 2021	15 February 2021	06 March 2021 ²⁷	₱1.76145
05 May 2021	19 May 2021	06 June 2021 ²⁸	₱1.76145
04 August 2021	20 August 2021	06 September 2021	₱1.76145
20 October 2021	16 November 2021	06 December 2021	₱1.76145

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

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount/Share</u>
08 August 2019	06 September 2019	27 September 2019	₱1.7319
23 October 2019	29 November 2019	27 December 2019	₱1.7319
29 January 2020	06 March 2020	27 March 2020	₱1.7319
06 May 2020	04 June 2020	27 June 2020	₱1.7319
05 August 2020	04 September 2020	27 September 2020	₱1.7319
21 October 2020	04 December 2020	28 December 2020	₱1.7319
27 January 2021	08 March 2021	27 March 2021 ²⁹	₱1.7319
05 May 2021	07 June 2021	27 June 2021 ³⁰	₱1.7319
04 August 2021	07 September 2021	27 September 2021	₱1.7319
20 October 2021	03 December 2021	27 December 2021	₱1.7319
23 February 2022	10 March 2022	28 March 2022	₱1.7319
04 May 2022	02 June 2022	27 June 2022	₱1.7319
05 August 2022	01 September 2022	27 September 2022	₱1.7319
26 October 2022	05 December 2022	27 December 2022	₱1.7319
25 January 2023	01 March 2023	27 March 2023	₱1.7319
03 May 2023	01 June 2023	27 June 2023	₱1.7319
02 August 2023	04 September 2024	28 September 2023	₱1.7319
25 October 2023	29 November 2023	27 December 2023	₱1.7319
31 January 2024	01 March 2024	27 March 2024	₱1.7319
08 May 2024	03 June 2024	27 June 2024	₱1.7319

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

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Amount/Share</u>
26 January 2022	11 February 2022	03 March 2022	₱7.50
04 May 2022	19 May 2022	03 June 2022	₱7.50
08 August 2022	19 August 2022	03 September 2022 ³¹	₱7.50

²⁷ Following the terms of the offering of Preferred Shares Series B, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.

²⁸ *Ibid.*

²⁹ Following the terms of the offering of Preferred Shares Series C, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.

³⁰ *Ibid.*

³¹ Following the terms of the offering of Preferred Shares Series D, as the scheduled payment date fell on a weekend, payment of the dividends was made the following business day.

26 October 2022	14 November 2022	05 December 2022 ³²	₱7.50
25 January 2023	08 February 2023	03 March 2023	₱7.50
03 May 2023	17 May 2023	03 June 2023 ³³	₱7.50
02 August 2023	16 August 2023	03 September 2023 ³⁴	₱7.50
25 October 2023	10 November 2023	03 December 2023 ³⁵	₱7.50
31 January 2024	15 February 2024	03 March 2024 ³⁶	₱7.50
08 May 2024	23 May 2024	03 June 2024	₱7.50
06 August 2024	23 August 2024	03 September 2024	₱7.50
05 November 2024	19 November 2024	03 December 2025	₱7.50
22 January 2025	07 February 2025	03 March 2025	₱7.50
07 May 2025	22 May 2025	03 June 2025	₱7.50
06 August 2025	20 August 2025	03 September 2025	₱7.50
29 October 2025	13 November 2025	03 December 2025	₱7.50

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

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

No dividends were declared for Preferred Shares Series A and E for the period covered by this Report.

No dividends were declared for any of the foregoing shares in 2016.

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

“Dividends shall be declared from the unrestricted retained earnings of the Corporation, including stock dividends from paid-in surplus, at such time and in such amounts as the Board of Directors may determine. Dividend declarations shall not in any manner reduce the paid-in capital of the Corporation. Unless otherwise resolved by the Board of Directors, a fraction of one-half or more of a share owing to a stockholder resulting from a declaration of stock dividends shall be issued as one full share, while a fraction of less than one-half share shall be disregarded.

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

“Declaration of cash dividends shall have a record date which shall not be less than ten (10) business days but not more than thirty (30) business

³² *Ibid.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

days from the date of declaration by the Board of Directors.”

d. Recent Sales of Unregistered or Exempt Securities

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

ITEM 6. Management’s Discussion and Analysis or Plan of Operation

FINANCIAL POSITION

31 December 2025 vs. 31 December 2024

	31 Dec 2025	31 Dec 2024	Change
Cash and cash equivalents	₱1,381,114,743	₱4,045,963,662	-66%
Financial assets at fair value through profit or loss (FVPL)	271,312,173	1,895,958,320	-86%
Receivables	3,415,177,569	1,771,675,289	93%
Creditable withholding taxes	1,125,196,039	862,328,524	30%
Input value-added tax (VAT)	912,807,838	463,784,660	97%
Contract Assets	8,891,243,368	7,625,261,813	17%
Real estate for sale	13,106,806,103	7,271,174,737	80%
Investment properties	16,569,289,505	14,590,019,555	14%
Property and equipment	312,362,975	301,618,461	4%
Other Assets	1,721,732,425	1,713,949,547	0%
Total Assets	47,707,042,738	40,541,734,568	18%
Accounts payable and other liabilities	7,010,503,043	4,262,192,735	64%
Loans payable	18,699,823,576	12,476,024,751	50%
Bonds payable	2,965,754,165	5,955,532,419	-50%
Contract liabilities	595,701,610	428,492,840	39%
Advances from non-controlling interests	1,058,519,597	1,010,119,597	5%
Net retirement liability	53,898,518	27,371,514	97%
Net deferred tax liabilities	2,674,091,353	2,129,697,872	26%
Total Liabilities	33,058,291,862	26,289,431,728	26%
Capital stock	1,004,721,996	1,004,721,996	0%
Additional paid-in capital	6,464,321,710	6,464,321,710	0%
Treasury stock – at cost	(1,000,000,000)	(1,000,000,000)	0%
Parent Company’s shares held by a subsidiary	(26,500,000)	(26,500,000)	0%
Retained earnings	5,297,671,791	5,263,177,339	1%
Other equity reserves	213,316,409	208,982,963	2%
Total equity attributable to Equity Holders of the Parent Company	11,953,531,906	11,914,704,008	0%
Non-controlling interests	2,695,218,970	2,337,598,832	15%
Total Equity	14,648,750,876	14,252,302,840	3%
Total Liabilities and Equity	₱47,707,042,738	₱40,541,734,568	18%

ALCO's total resources reached ₱47.71 billion as of 31 December 2025, higher by 18% from

the ₱40.54 billion recorded on 31 December 2024, due to the following:

66% Decrease in Cash and Cash Equivalents

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

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

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

93% Increase in Receivables

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

30% Increase in Creditable Withholding Taxes

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

97% Increase in Input Value-Added Tax

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

17% Increase in Contract Assets

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

80% Increase in Real Estate for Sale

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

14% Increase in Investment Properties

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

64% Increase in Accounts Payable and Other Liabilities

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

50% Increase in Loans Payable

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

50% Decrease in Bonds Payable

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

39% Increase in Contract Liabilities

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

5% Increase in Advances from Non-Controlling Interests

The increase is mainly attributable to the sale of 40% interest in Zileya, net of

repayment of advances in other subsidiaries.

97% Increase in Net Retirement Liability

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

26% Increase in Deferred Tax Liabilities

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

15% Increase in Non-controlling Interests

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

FINANCIAL POSITION

31 December 2024 vs. 31 December 2023

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>	<u>Change</u>
Cash and cash equivalents	₱4,045,963,662	₱5,605,296,553	-28%
Financial assets at fair value through profit or loss (FVPL)	1,895,958,320	877,853,288	116%
Receivables	1,771,675,289	2,211,302,746	-20%
Real estate for sale	7,271,174,737	7,548,831,703	-4%
Contract Assets	7,625,261,813	5,608,780,240	36%
Investment properties	14,590,019,555	13,175,632,447	11%
Property and equipment	301,618,461	315,768,669	-4%
Net retirement asset	—	14,151,768	-100%
Other Assets	3,040,062,731	1,906,428,476	59%
Total Assets	40,541,734,568	37,264,045,890	9%
Accounts payable and other liabilities	4,262,192,735	3,621,061,114	18%
Loans payable	12,476,024,751	11,186,817,196	12%
Bonds payable	5,955,532,419	5,941,522,413	0%
Contract liabilities	428,492,840	198,350,664	116%
Advances from non-controlling interests	1,010,119,597	1,102,119,597	-8%
Net retirement liability	27,371,514	5,145,894	432%
Net deferred tax liabilities	2,129,697,872	2,092,857,227	2%
Total Liabilities	26,289,431,728	24,147,874,105	9%
Capital stock	1,004,721,996	1,005,757,136	0%
Additional paid-in capital	6,464,321,710	5,973,360,513	8%
Treasury stock – at cost	(1,000,000,000)	(2,000,000,000)	-50%
Parent Company's shares held by a subsidiary	(26,500,000)	(12,500,000)	112%
Retained earnings	5,263,177,339	5,547,760,292	-5%
Other equity reserves	208,982,963	216,566,831	-4%
Total equity attributable to Equity Holders of the Parent Company	11,914,704,008	10,730,944,772	11%
Non-controlling interests	2,337,598,832	2,385,227,013	-2%
Total Equity	14,252,302,840	13,116,171,785	9%

Total Liabilities and Equity	₱40,541,734,568	₱37,264,045,890	9%
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ALCO's total resources reached ₱40.54 billion as of 31 December 2024, higher by 9% from the ₱37.26 billion recorded on 31 December 2023, due to the following:

28% Decrease in Cash and Cash Equivalents

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

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

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

20% Decrease in Receivables

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

36% Increase in Contract Assets

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

11% Increase in Investment Properties

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

100% Decrease in Net Retirement Asset

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

59% Increase in Other Asset

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

18% Increase in Accounts Payable and Other Liabilities

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

12% Increase in Loans Payable

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

116% Increase in Contract Liabilities

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

8% Decrease in Advances from Non-Controlling Interests

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

432% Increase in Net Retirement Liability

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

8% Increase in Additional Paid-In Capital

The increase is due to the issuance of Preferred Shares Series F with ₱1 par value per

share at the issuance price of ₱500 per share, net of transaction costs.

50% Decrease in Treasury Stock – at cost

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

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

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

5% Decrease in Retained Earnings

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

FINANCIAL POSITION

31 December 2023 vs. 31 December 2022

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>Change</u>
Cash and cash equivalents	₱5,605,296,553	₱4,796,293,662	17%
Financial assets at fair value through profit or loss (FVPL)	877,853,288	2,246,039,822	-61%
Receivables	2,211,302,746	2,380,054,645	-7%
Contract Assets	5,608,780,240	3,920,367,468	43%
Real estate for sale	7,548,831,703	9,381,383,586	-20%
Investment properties	13,175,632,447	11,273,784,260	17%
Property and equipment	315,768,669	333,940,003	-5%
Net retirement asset	14,151,768	36,058,483	-61%
Other Assets	1,906,428,476	2,024,785,160	-6%
Total Assets	37,264,045,890	36,392,707,089	2%
Accounts payable and other liabilities	3,621,061,114	3,382,198,303	7%
Loans payable	11,186,817,196	11,764,154,679	-5%
Bonds payable	5,941,522,413	5,925,771,148	0%
Contract liabilities	198,350,664	231,469,884	-14%
Advances from non-controlling interests	1,102,119,597	1,102,119,597	0%
Net retirement liability	5,145,894	2,545,060	102%
Net deferred tax liabilities	2,092,857,227	1,924,137,488	9%
Total Liabilities	24,147,874,105	24,332,396,159	-1%
Capital stock	1,005,757,136	1,005,757,136	0%
Additional paid-in capital	5,973,360,513	5,973,360,513	0%
Treasury stock – at cost	(2,000,000,000)	(2,000,000,000)	0%
Parent Company's shares held by a subsidiary	(12,500,000)	(12,500,000)	0%
Retained earnings	5,547,760,292	4,912,544,253	13%
Other equity reserves	216,566,831	221,696,435	-2%
Total equity attributable to Equity Holders of the Parent Company	10,730,944,772	10,100,858,337	6%
Non-controlling interests	2,385,227,013	1,959,452,593	22%
Total Equity	13,116,171,785	12,060,310,930	9%

Total Liabilities and Equity	₱37,264,045,890	₱36,392,707,089	2%
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ALCO's total resources reached ₱37.26 billion as of 31 December 2023, higher by 2% from the ₱36.39 billion recorded on 31 December 2022, due to the following:

17% Increase in Cash and Cash Equivalents

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

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

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

7% Decrease in Receivables

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

43% Increase in Contract Assets

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

20% Decrease in Real Estate for Sale

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

17% Increase in Investment Properties

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

5% Decrease in Property, Plant and Equipment

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

61% Decrease in Net Retirement Asset

The decrease is attributable to changes in actuarial assumptions.

6% Decrease in Other Assets

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

7% Increase in Accounts Payable and Other Liabilities

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

5% Decrease in Loans Payable

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

14% Decrease in Contract Liabilities

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

102% Increase in Net Retirement Liability

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

9% Increase in Net Deferred Tax Liabilities

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

13% Increase in Retained Earnings

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

22% Increase in Non-Controlling Interests

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

RESULTS OF OPERATIONS

31 December 2025 vs. 31 December 2024

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

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

17% Decrease in Revenues

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

27% Decrease in Cost and Expenses

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

10% Increase in Administrative Expenses

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

32% Increase in Selling and Marketing Expenses

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

6% Increase in Finance Costs

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

7% Decrease in Other Income – Net

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

35% Increase in Provision for Income Tax

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

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

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

RESULTS OF OPERATIONS 31 December 2024 vs. 31 December 2023

	31 Dec 2024	% of Sale	31 Dec 2023	% of Sale	Change
Revenues	₹6,224,024,138	100%	₹6,638,923,582	100%	-6%
Cost and expenses	4,529,324,957	73%	3,924,713,673	59%	15%
Gross income	1,694,699,181	27%	2,714,209,909	41%	-38%
Administrative expenses	1,009,172,950	16%	821,439,823	12%	23%
Selling and marketing expenses	454,809,392	7%	529,115,673	8%	-14%
Operating expenses	1,463,982,342	24%	1,350,555,496	20%	8%
Income from operations	230,716,839	4%	1,363,654,413	21%	-83%

Net gain on change in fair value of investment properties	1,933,989,204	31%	974,092,333	15%	99%
Finance costs	(1,486,928,815)	24%	(1,020,350,432)	15%	46%
Other income – Net	425,884,378	7%	521,253,473	8%	-18%
Income before income tax	1,103,661,606	18%	1,838,649,787	28%	-40%
Provision for income tax	345,285,691	6%	449,666,103	7%	-23%
Net income	758,375,915	12%	₱1,388,983,684	21%	-45%
Other comprehensive income (loss)					
Remeasurement losses on net retirement asset or liability	(10,111,824)	-	(6,839,472)	-	48%
Income tax benefit on remeasurement gains or losses	2,527,956	-	1,709,868	-	48%
	(7,583,868)		(5,129,604)		
Total comprehensive income	₱750,792,047	12%	₱1,383,854,080	21%	-46%

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

6% Decrease in Revenues

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

15% Increase in Cost and Expenses

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

23% Increase in Administrative Expenses

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

14% Decrease in Selling and Marketing Expenses

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

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

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

46% Increase in Finance Costs

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

18% Decrease in Other Income – Net

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

23% Decrease in Provision for Income Tax

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

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

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

retirement plan.

RESULTS OF OPERATIONS

31 December 2023 vs. 31 December 2022

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

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

127% Increase in Revenues

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

118% Increase in Cost and Expenses

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

33% Increase in Administrative Expenses

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

107% Increase in Selling and Marketing Expenses

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

104% Increase in Finance Costs

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

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

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

666% Increase in Other Income – Net

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

19% Increase in Provision for Income Tax

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

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

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

FINANCIAL RATIOS

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

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

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

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

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

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

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

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

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

ITEM 7. Financial Statements

ALCO's consolidated financial statements for the period ended as of 31 December 2025 were audited by Reyes Tacandong & Co., the details of which are stated below:

Accountant	:	Reyes Tacandong & Co.
Mailing Address	:	BDO Towers Valero 8741 Paseo de Roxas, Bel-Air 1209 Makati City
Certifying Partner	:	Ms. Carolina P. Angeles
C.P.A. Reg. No.	:	86981
TIN No.	:	205-067-976-000
BOA Accreditation No.	:	4782 (valid until 06 June 2026)
SEC Accreditation No.	:	86981-SEC Group A issued on 24 March 2020 (Valid for Financial Periods 2023 to 2025)
PTR No.	:	10764005 issued on 02 January 2026 at Makati City
BIR Accreditation No.	:	08-005144-007-2025 (Valid until 10 August 2028)

ALCO's consolidated and separate financial statements for the period ended as of 31 December 2025 are hereto attached and incorporated herein by reference.

ITEM 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

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

Reyes Tacandong & Co. (RT&Co) was first appointed as ALCO's external auditor in 2012

and remains such to date. Ms. Carolina P. Angeles was the Certifying Partner for the years 2012-2016 and for the years 2024-2025. Ms. Michelle R. Mendoza-Cruz was the Certifying Partner for the years 2017-2023.

ALCO has not had any disagreement with its external auditor.

Fees and Other Arrangements

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

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

<u>Audit and Non-audit Fees</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total Audit Fees	₱6.20 MM	₱5.67 MM	₱4.37 MM
Non-audit service fees			
Other assurance services ³⁷	—	3.50 MM	0.25 MM
Tax services ³⁸	—	0.89 MM	—
All other services ³⁹	0.70 MM	0.54 MM	0.18 MM
Total Non-Audit Fees	₱0.70 MM	₱4.93 MM	₱0.43 MM
Total Audit and Non-Audit Fees	₱6.90 MM	₱10.60 MM	₱4.80 MM

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. Directors, including Independent Directors, and Executive Officers

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

<u>Name of Director</u>	<u>Directorship</u>	<u>Date of First Appointment</u>	<u>Age⁴⁰</u>
Ernest K. Cuyegkeng	Non-Executive	21 May 2007	79
Jaime C. González	Executive	21 May 2007	80
Jaime Enrique Y. González	Non-Executive	24 June 2011	49
Christopher Paulus Nicolas T. Po	Non-Executive	24 June 2011	55
Cornelio S. Mapa, Jr.	Executive	25 June 2021	59
Ricardo Gabriel T. Po	Non-Executive	28 March 2012	58
Denise Loreena V. De Castro	Independent	30 June 2023	50
Hans B. Sicat	Independent	30 June 2017	65
Andres B. Sta. Maria	Independent	24 June 2016	77

³⁷ Relates to the listing of Preferred Shares Series F and the Green Bonds issuance and subsequent allocation reporting.

³⁸ Fees for transfer pricing study.

³⁹ Refers to fees for Use of Proceed certifications for the Green Bonds Tranche 2 and Preferred Shares Series D (2023) and Series F (2024), and Amendment of the Articles of Incorporation (Increase of authorized capital stock).

⁴⁰ As of the date of this Report.

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

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

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

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

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

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

Denise Loreena V. de Castro, Filipino, is the Principal Architect of DEQA Design Collaborative (formerly DDC Architectural Studio), an award-winning studio she founded in 2010 which integrates planning, architecture, interior, and product

design with the expertise of affiliated specialty consultants. She is recognized as one of the Philippines' Best Architects by multiple publications and associations. She worked previously at IDEO (San Francisco) and Lor Calma Design Associates (Manila). She obtained her Bachelor of Arts degree in Architecture in Wellesley College, and earned her Master's degree in Architecture from Harvard University Graduate School of Design.

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

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

Term of Office

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

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

The following are the incumbent principal corporate officers of ALCO:

Chairman of the Board	Ernest K. Cuyegkeng
Vice Chairman and President	Jaime C. González
Vice Chairman	Ricardo Gabriel T. Po
Treasurer and Executive Vice President	Cornelio S. Mapa, Jr.
Corporate Secretary, General Counsel and Compliance Officer	Atty. Riva Khristine V. Maala
Assistant Corporate Secretary	Atty. Margeline C. Hidalgo

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

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

Term of Office:

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

c. Significant Employees

Other than the above-named directors and corporate officers, the following are significant or key personnel of ALCO as of the date of this Report who make a significant contribution to its business:

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

Sheryll P. Verano, Filipino, is the Executive Vice President who heads Strategic Funding & Investments and Corporate Planning and is ALCO's Investor Relations Officer. She is a finance professional with over 20 years-experience in financial advisory, debt and equity capital raising, debt restructuring and mergers and acquisitions. Prior to joining ALCO in June 2016, she was Associate Director in American Orient Capital Partners (Philippines) and was with the Global Corporate Finance group of SGV and Co. She received her CFA Charter in 2006 and was one of the topnotchers in the 1999 CPA Board Exams. She graduated *cum laude* from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy.

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

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

controllershship and finance as well.

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

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

Felix Cicero C. Tiukinhoy, Filipino, was appointed as Head of Customer Account Management on 01 August 2023. He finished his formal education from De La Salle University with an Economics Degree. He took up his Masters in Business Management from the Asian Institute of Management. Prior to joining ALCO, he was the Group CFO of Taft Property Ventures Development Corp. and Midland Development Corp., and, previous to that, the Group Head of their Customer Account Management.

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

Gerard Vincent Casanova, Filipino, was appointed as Head of the Information and Business Technology (IT) Department and ALCO's Data Privacy Officer effective on 01 February 2024 following the retirement of Mr. Clarence P. Borromeo on 31 January 2024. He graduated from the De La Salle University where he took up Bachelor of Science in Computer Science. Before joining ALCO in 2021 as Deputy Head of the Department, he worked for SM Investments Corporation, Royal Caribbean Cruises, Star Cruises and Ayala Corporation. He is a results-oriented professional with over 17 years of experience in the field of information technology in different industries and has

extensive expertise in product and project management.

d. Family Relationship

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

e. Involvement in Certain Legal Proceedings

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

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

1. In 2013, PDIC had filed one and the same complaint against Mr. Jaime C. González, among other former officers of EIB, before (a) the Department of Justice (DOJ), and (b) the *Bangko Sentral ng Pilipinas* (BSP) for violation of Section 21 (f)(4) and (f)(10) of R.A. No. 3591, and Sections 55, 56 and 66 of R.A. No. 8791 in relation to Section 36 of R.A. No. 7653. PDIC alleged that the respondents committed acts which constituted doing business in an unsafe and unsound manner, essentially having concealed from PDIC the engagement as EIB's financial advisor of a company which Mr. González was an officer of, while simultaneously being an officer of EIB. All respondents denied PDIC's accusation and submitted documentary evidence that there was in fact full disclosure to all concerned parties and there was no directive issued by PDIC prohibiting the said engagement.

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

In March 2016, PDIC filed a civil complaint for sum of money against Mr. González, among others, arising from the same set of allegations and circumstances stated in the above complaint PDIC filed with the DOJ and the BSP, *i.e.* that Mr. González and his co-defendants committed fraud with the concealment of the engagement of the company which Mr. González was an officer of, as EIB's financial advisor, and demanded from the defendants the return of the payment made by EIB to a third party. The individual defendants denied PDIC's assertions and presented evidence that there was full disclosure of the questioned transaction given that a PDIC officer was a member of EIB's Board of Directors at the time.

On 12 November 2021, the trial court denied plaintiff PDIC's application for preliminary attachment without prejudice to further evidence that may be presented in the trial proper to prove the alleged fraud. The complaint was dismissed on 02 April 2025 as PDIC failed to prove its cause of action with clear and convincing evidence. PDIC only established that EIB paid the whole amount to a third party but did not present evidence that any portion of such amount was thereafter paid to the defendants.

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

2. In 2015, PDIC filed one and the same complaint against Mr. González, Ms. Angela de Villa Lacson (ALCO's former President and CEO), Mr. Froilan Q. Tejada (ALCO's former Chief Finance Officer), and Ms. Riva Khristine V. Maala (ALCO's Assistant Corporate Secretary at the time), among other former officers of EIB, (a) before the DOJ for violation of Article 315 of the Revised Penal Code in relation to Presidential Decree No. 1689, and of Section 21(f)(10) of R.A. No. 3591, as amended, and (b) before the BSP for violation of Section 37 of R.A. No. 7653. PDIC alleged that the respondents conspired and fraudulently caused EIB to make advances in favor of ALCO for the alleged purchase by ALCO of one of EIB's non-performing assets in the sum of ₱13 million. All respondents denied PDIC's charges against them in their respective counter-affidavits.

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

On the other hand, in May 2017, the BSP issued a Decision formally charging Mr. González, Ms. Maala and the other respondents for committing irregularities under Section 37 of R.A. No. 7653 and unsafe or unsound banking practices under Section 56 of R.A. No. 8791 in relation to Section 37 of R.A. No. 7653. On 11 July 2024, the BSP issued Resolution No. 808 dismissing the administrative charges against Ms. Maala but held Mr. González and other respondents liable and imposed on each of them a fine of ₱20,000.00 and the penalty of suspension if the offender is a director or officer of a bank, quasi-bank or trust entity⁴¹. After BSP denied the respondents' Motion for Reconsideration on 28 November 2024, they filed on 20 December 2024 a Petition for Review under Rule 43 of the Rules of Court with an Urgent Application for Temporary Restraining Order and/or Writ of Preliminary Injunction which remains pending to date.

ITEM 10. Compensation of Directors and Executive Officers

a. Compensation of Directors and Executive Officers

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

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

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

The current members of ALCO's various committees are:

Audit and Risk Committee	Hans B. Sicat, Chairman Denise Loreena V. de Castro Andres B. Sta. Maria
Stock Option and Compensation Committee	Jaime C. González, Chairman Denise Loreena V. de Castro Ricardo Gabriel T. Po
Governance and Nomination Committee	Ricardo Gabriel T. Po, Chairman Hans B. Sicat Andres B. Sta. Maria

⁴¹ Since respondents are no longer with EIB, and assuming they are no longer connected with any financial institution, the penalty of suspension shall still attach should they subsequently return or join any financial institution supervised by the BSP.

Executive Committee	Jaime C. González, Chairman Ricardo Gabriel T. Po, Vice Chairman Jaime Enrique Y. González Christopher Paulus Nicolas T. Po Cornelio S. Mapa, Jr.
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Section 7, Article IV, in turn, provides that the “Chairman, or such other officer(s) as the Board of Directors may authorize, shall determine the compensation of all the officers and employees of the Corporation. xxx”

The per diem received by ALCO’s directors for the last two years is as follows:

<u>Name of Director</u>	<u>2025 (₱)</u>	<u>2024 (₱)</u>
Ernest K. Cuyegkeng	1,200,000.00	1,000,000.00
Jaime C. González	180,000.00	187,500.00
Jaime Enrique Y. González	135,000.00	150,000.00
Cornelio S. Mapa, Jr.	180,000.00	135,000.00
Christopher Paulus Nicolas T. Po	180,000.00	165,000.00
Ricardo Gabriel T. Po	135,000.00	180,000.00
Hans B. Sicat	892,500.00	810,000.00
Andres B. Sta. Maria	975,000.00	892,500.00
Denise Loreena V. de Castro	952,500.00	907,500.00
Total	4,830,000.00	4,427,500.00

The compensation of ALCO’s officers and other employees for the last two years reflected in the tables below.

2025

	<u>Salary⁴²</u>	<u>Bonus</u>	<u>Others</u>
Executives ⁴³ includes Jaime C. González, <i>Vice Chairman and President</i> , and the four highest compensated officers: i. Cornelio S. Mapa, Jr., <i>Treasurer and Executive Vice President</i> ii. Christopher G. Narciso ⁴⁴ , <i>Executive Vice President</i> iii. Sheryll P. Verano, <i>Head, Strategic Funding and Investments</i> , and iv. Marivic S. Victoria, <i>Chief Finance Officer</i>	₱145.17M	None	None

⁴² Rounded-off.

⁴³ Includes all employees with the rank of Vice President and higher.

⁴⁴ Resigned as of 12 January 2026.

Officers (As a group unnamed) ⁴⁵	₱125.86M	₱8.32M	None
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2024

	Salary ⁴⁶	Bonus	Others
Executives ⁴⁷ includes Jaime C. Gonzalez, <i>Vice Chairman and President</i> , and the four highest compensated officers: i. Cornelio S. Mapa, Jr., <i>Treasurer and Executive Vice President</i> ii. Christopher G. Narciso ⁴⁸ , <i>Executive Vice President</i> iii. Sheryll P. Verano, <i>Head, Strategic Funding and Investments</i> , and iv. Marivic S. Victoria, <i>Chief Finance Officer</i>	₱136.10M	₱18.39M	None
Officers (As a group unnamed) ⁴⁹	₱106.47M	₱13.89M	None

Estimated Compensation for 2026 (Collective)

	Salary ⁵⁰	Bonus	Others
Directors and Executives	₱149.13M	None ⁵¹	None
Officers (As a group unnamed)	₱134.59M		

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

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

⁴⁵ Includes all employees with the rank of Manager up to Senior Assistant Vice President.

⁴⁶ Rounded-off.

⁴⁷ Includes all employees with the rank of Vice President and higher.

⁴⁸ See Footnote 44.

⁴⁹ Includes all employees with the rank of Manager up to Senior Assistant Vice President.

⁵⁰ Rounded-off.

⁵¹ Whether bonuses will be given in 2026 is uncertain at this time.

administer the implementation of this plan. The SEC approved the 2009 Stock Option Plan on 05 November 2010.

Qualified employees eligible to participate under the plan are (i) members of the Board, with the exception of the independent directors; (ii) President and CEO and other corporate officers, which include the Corporate Secretary and the Assistant Corporate Secretary; (iii) Employees and Consultants who are exercising managerial level functions or are members of the Management Committee; and (iv) Executive officers assigned to ALCO's subsidiaries or affiliates⁵².

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

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

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

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

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

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

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

On 25 March 2020, the price of the options granted as abovementioned was reduced to ₱0.50 per share.

⁵²ALCO must have at least 50% equity holdings of said subsidiary or affiliate.

The total number of stock options granted to ALCO's officers and other employees at the time was 57,200,000 and classified in the table below:

	<u>No. of Options Outstanding</u>	<u>Date Granted</u>	<u>Exercise/ Option Price</u>	<u>Expiration Date</u>
Executives ⁵³ includes Jaime C. González, <i>Vice Chairman and President</i> , and the four highest compensated officers at the time of the grant: i. Leonardo Arthur T. Po, <i>Executive Vice President and Treasurer</i> ii. Christopher G. Narciso, <i>Executive Vice President</i> iii. Gabriel I. Paulino, <i>Head, Technical Services</i> , and iv. Sheryll P. Verano, <i>Head, Strategic Funding and Investments</i>	35,350,000	February 2019	₱0.50/share	February 2022
<u>Officers</u> (As a group unnamed) ⁵⁴	56,000,000			

None of the qualified employees exercised their respective rights until the period within which they could do so expired in February 2022.

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

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

⁵³ Identified employees with the rank of Vice President and higher.

⁵⁴ Identified employees with the rank of Manager up to Senior Assistant Vice President.

No option shares have been granted by the Corporation to any of its employees under the 2020 Stock Option Plan, as amended pursuant to the directive of the MSRD. Once the Stock Option and Compensation Committee makes a determination to grant option shares to qualified employees, including the final terms thereof which are required for the re-filing of the application,⁵⁵ an application will be filed anew with the SEC for exemption from registration of the option shares to be allocated under the 2020 Stock Option Plan.

ITEM 11. Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Voting Shares (as of 31 December 2025)

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

PCD Nominee Corporation (Filipino) is the holder of 1,648,938,856 Common shares, or 31.006% of the total issued and outstanding Common shares of ALCO.

⁵⁵ These include the price at which the option is to be exercised (which in no case shall be below the par value of ALCO's common stock), the grant date and effectivity dates, the specific employees who will qualify for the options, and the number and class of shares to be allocated to each qualified employee.

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

(2) Security Ownership of Management (as of 31 December 2025)

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

None	Margeline C. Hidalgo <i>Assistant Corporate Secretary</i>	Filipino	0	N.A.
		TOTAL	76,715,159 shares	

ITEM 12. Certain Relationships and Related Transactions

In the regular conduct of its business, ALCO and its wholly owned subsidiaries enter into intercompany transactions, primarily advances necessary to carry out the latter's functions, subject to liquidation and reimbursements for expenses. ALCO ensures that these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks, fair and treated at arm's length. Intercompany transactions between ALCO and its subsidiaries for the period covered by this Report are discussed in the Audited Financial Statements hereto attached.

Except for the above and related disclosures in this Report, specifically *Item 1, paragraphs g and l*, there are no other transactions (or series of similar transactions) with or involving any of ALCO's subsidiaries, affiliates or related companies in which a director or an executive officer or a stockholder who owns ten percent (10%) or more of ALCO's total outstanding shares, or member/s of their immediate family, had or is to have a direct or indirect material interest.

PART IV – CORPORATE GOVERNANCE

ALCO's compliance with its Manual of Corporate Governance, as revised as of 03 May 2023⁵⁶, is monitored by its Compliance Officer who is tasked, among others, to determine and measure such compliance with the said Manual. ALCO adopted substantially all the provisions of its Manual on Corporate Governance.

PART V – EXHIBITS AND SCHEDULES

ITEM 13. Exhibits and Reports on SEC Form 17-C

- a. Supplementary Schedules with separate independent auditors' opinion are appended to the Audited Financial Statements hereto attached.
- b. The Aggregate Market Value of Voting Stock held by Top 10 Non-Affiliates is in page 3 of this Report.
- c. There were no disclosures not covered by SEC Form 17-C (Current Report) filed in the last quarter of 2025.

ITEM 14. Sustainability Report

ALCO's Sustainability Report for 2025 (Reporting Template for Sustainability Report) is hereto attached and incorporated herein by reference.

⁵⁶ The only change made then was with respect to the term of the External Auditor. Item 6.B of the Manual now reads "The External Auditor shall be rotated or changed every seven (7) years or earlier, or the signing partner of the auditing firm assigned to the Corporation, should be changed with the same frequency."

SIGNATURE PAGE

Pursuant to the requirements of Section 17 of the Securities Regulations Code and Section 141 of the Corporation Code, this Report is signed on behalf of ALCO in **Taguig City** on the date stated below.

ARTHALAND CORPORATION

By:



ERNEST K. CUYEGKENG

Chairman of the Board

Passport No. P7236847A

Issued on 19 May 2018 in NCR South



JAIME C. GONZÁLEZ

Vice Chairman and President

Passport No. P5521740A

Issued on 05 January 2018 in NCR East



MARIVIC S. VICTORIA

Chief Finance Officer

Passport No. P6226193B

Issued on 04 February 2021 in Manila

SUBSCRIBED AND SWORN to before me this on **APR 15 2026** at **Taguig City, Philippines**, affiants exhibiting to me competent evidence of their respective identities as above indicated.

Doc. No. 11
Page No. 4
Book No. 22
Series of **2026**.


GAUDENCIO A. BARBOZA JR.
NOTARY PUBLIC
UNTIL DEC 31, 2026
PTR # A-6754296 / JAN 5, 2026 TAGUIG CITY
IBP No 534380 / 12/02/25 RSM (FOR YR. 2026)
ROLL No 41969
MCLE COMP NO. VIII No 0040608
SEPTEMBER 3, 2025
APP NO 29 (2025-2026)

UNDERTAKING

ARTHALAND CORPORATION (ALCO) undertakes to provide, without charge, a hard copy of its Annual Report, SEC Form 17-A, to any person soliciting a copy thereof upon written request addressed to the Corporate Secretary with principal office address at the 7/F Arthaland Century Pacific Tower, 5th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634

COVER SHEET

for
**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

SEC Registration Number

A	S	9	4	0	0	7	1	6	0
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COMPANY NAME

A	R	T	H	A	L	A	N	D		C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S	

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

7	/	F		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y		P	a	c	i	f	i	c		T	o	w	e	r	,		5	t

Form Type

A	A	C	F	S
---	---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A
---	---	---

COMPANY INFORMATION

Group's Email Address

ALCO@arthaland.com

Group's Telephone Number/s

(+632) 8403-6910

Mobile Number

(+63) 917 509 3413

No. of Stockholders

1,903

Annual Meeting (Month / Day)

Last Friday of June

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Marivic S. Victoria

Email Address

msvictoria@arthaland.com

Telephone Number/s

(+632) 8403-6910

Mobile Number

09175949087

CONTACT PERSON'S ADDRESS

Blk 14, Lot 8, Estanislao Street, BF Resort Village, Las Pinas City 1740

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

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

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Wed 4/15/2026 2:39 PM
To Romel J. Espinoza <RJESPINOZA@ARTHALAND.COM>
Cc Romel J. Espinoza <RJESPINOZA@ARTHALAND.COM>

Hi ARTHALAND CORPORATION,

Valid files

- EAFS004450721AFSTY122025.pdf
- EAFS004450721ITRTY122025.pdf
- EAFS004450721TCRTY122025-01.pdf
- EAFS004450721OTHTY122025.pdf
- EAFS004450721TCRTY122025-02.pdf
- EAFS004450721RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-C8H6LFDLOCCED95H5NXYWW23Q0BCCBFBGC**
Submission Date/Time: **Apr 15, 2026 02:39 PM**
Company TIN: **004-450-721**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

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

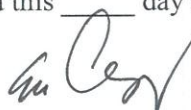
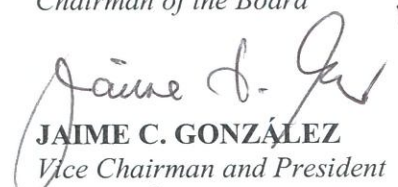
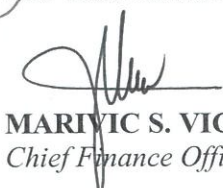
In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to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

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

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

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

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


ERNEST K. CUYEGKENG
Chairman of the Board
JAIME C. GONZÁLEZ
Vice Chairman and President
MARIVIC S. VICTORIA
Chief Finance Officer

OATH

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) SS.

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

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

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

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


GAUDENCIO A. BARBOZA JR.
NOTARY PUBLIC
UNTIL DEC 31, 2026
PTR # A-6791298 / JAN 5, 2026 TAGUIG CITY
IBP No 534380 / 12/02/25 RSM (FOR YR. 2026)
ROLL No 41969
MCLE COMP NO VIII No 0040608
SEPTEMBER 3, 2025
APP NO 29 (2025-2026)



INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis of Opinion

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

Key Audit Matters

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

Fair Value Measurement of Investment Properties

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



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

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

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

Revenue from Real Estate Sales

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

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

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

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

Valuation of Real Estate for Sale

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



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

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

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

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

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



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

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

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Cash and cash equivalents	5	P1,381,114,743	P4,045,963,662
Financial assets at fair value through profit or loss (FVPL)	6	271,312,173	1,895,958,320
Receivables	7	3,415,177,569	1,771,675,289
Creditable withholding taxes		1,125,196,039	862,328,524
Input value-added tax (VAT)		912,807,838	463,784,660
Contract assets	8	8,891,243,368	7,625,261,813
Real estate for sale	9	13,106,806,103	7,271,174,737
Investment properties	10	16,569,289,505	14,590,019,555
Property and equipment	11	312,362,975	301,618,461
Other assets	12	1,721,732,425	1,713,949,547
		P47,707,042,738	P40,541,734,568
LIABILITIES AND EQUITY			
Liabilities			
Accounts and other payables	13	P7,010,503,043	P4,262,192,735
Loans payable	14	18,699,823,576	12,476,024,751
Bonds payable	15	2,965,754,165	5,955,532,419
Contract liabilities	8	595,701,610	428,492,840
Advances from non-controlling interests	4	1,058,519,597	1,010,119,597
Net retirement liability	21	53,898,518	27,371,514
Net deferred tax liabilities	23	2,674,091,353	2,129,697,872
Total Liabilities		33,058,291,862	26,289,431,728
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	16	1,004,721,996	1,004,721,996
Additional paid-in capital	16	6,464,321,710	6,464,321,710
Treasury stock - at cost	16	(1,000,000,000)	(1,000,000,000)
Parent Company's preferred shares held by a subsidiary - at cost	16	(26,500,000)	(26,500,000)
Retained earnings		5,297,671,791	5,263,177,339
Other equity reserves	16	213,316,409	208,982,963
		11,953,531,906	11,914,704,008
Non-controlling Interests	4	2,695,218,970	2,337,598,832
Total Equity		14,648,750,876	14,252,302,840
		P47,707,042,738	P40,541,734,568

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31				
	Note	2025	2024	2023
REVENUES	17			
Real estate sales		P4,310,219,091	P5,758,172,570	P6,251,574,060
Leasing operations		705,069,656	414,901,457	366,299,089
Interest from real estate sale		89,820,951	15,307,178	–
Property management fees		38,437,831	35,642,933	21,050,433
		5,143,547,529	6,224,024,138	6,638,923,582
COST AND EXPENSES				
Cost of real estate sales	9	3,041,995,459	4,297,157,327	3,730,711,385
Cost of leasing operations	10	176,582,621	161,816,431	143,250,410
Cost of services		107,194,405	70,351,199	50,751,878
		3,325,772,485	4,529,324,957	3,924,713,673
GROSS INCOME		1,817,775,044	1,694,699,181	2,714,209,909
OPERATING EXPENSES	18	(1,706,114,254)	(1,463,982,342)	(1,350,555,496)
NET GAIN ON CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES	10	1,940,773,536	1,933,989,204	974,092,333
FINANCE COSTS	19	(1,574,883,378)	(1,486,928,815)	(1,020,350,432)
OTHER INCOME - Net	20	397,923,979	425,884,378	521,253,473
INCOME BEFORE INCOME TAX		875,474,927	1,103,661,606	1,838,649,787
PROVISION FOR INCOME TAX	23	467,646,277	345,285,691	449,666,103
NET INCOME		407,828,650	758,375,915	1,388,983,684
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss -</i>				
Remeasurement gains (losses) on net retirement asset (liability)	21	5,777,928	(10,111,824)	(6,839,472)
Income tax benefit (expense) on remeasurement gains or losses	23	(1,444,482)	2,527,956	1,709,868
		4,333,446	(7,583,868)	(5,129,604)
TOTAL COMPREHENSIVE INCOME		P412,162,096	P750,792,047	P1,383,854,080
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		P414,708,712	P575,999,975	P948,309,181
Non-controlling interests	4	(6,880,062)	182,375,940	440,674,503
		P407,828,650	P758,375,915	P1,388,983,684
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		P419,042,158	P568,416,107	P943,179,577
Non-controlling interests	4	(6,880,062)	182,375,940	440,674,503
		P412,162,096	P750,792,047	P1,383,854,080
EARNINGS PER SHARE	26			
Basic and diluted		P0.0185	P0.0594	P0.1314

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

(Forward)

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

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(Forward)

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

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

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES

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

1. General Information

Corporate Information

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

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

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

Composition of the Group

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

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

*incorporated May 14, 2025

**indirectly owned through KHI

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

FLC

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

ZLDC

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

ALCO's Acquisition of Preferred Shares

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

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

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

Major Projects

Arya Residences

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

Arthaland Century Pacific Tower (ACPT)

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

Cebu Exchange Tower (CebEx)

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

Sevina Park Projects

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

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

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

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

Savya Financial Center

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

Eluria Residences

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

Lucima Residences

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

LIV (formerly Project Teal)

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

Sondris (formerly Project Rock)

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

Project Vanilla

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

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

Project Olive

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

Approval of the Consolidated Financial Statements

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

2. Summary of Material Accounting Policy Information

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

Basis of Preparation

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

Measurement Bases

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

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

Changes in Comparative Cash Flow Information

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

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

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

Adoption of Amendments to PFRS Accounting Standards

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

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

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

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

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

Basis of Consolidation

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

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

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

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

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

Financial Assets at Amortized Cost

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

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

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

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

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

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

Financial Assets at FVPL

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

Financial Liabilities at Amortized Cost

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

Creditable Withholding Taxes (CWT)

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

Value-Added Tax (VAT)

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

Contract Balances

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

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

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

Real Estate for Sale

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

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

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

Investment Properties

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

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

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

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

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

Property and Equipment

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

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

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

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

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

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

Other Assets

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

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

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

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

Impairment of Nonfinancial Assets

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

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

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

Debt Issue Costs

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

Advances from Buyers

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

Capital Stock

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

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

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

Additional Paid-in Capital

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

Treasury Shares

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

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

Parent Company's Shares Held by a Subsidiary

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

Retained Earnings

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

Other Equity Reserves

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

Basic and Diluted Earnings per Share (EPS)

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

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

Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cost and Expenses Recognition

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

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

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

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

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

Share-based Compensation

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

Leases

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

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

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

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

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

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

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

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

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

Employee Benefits

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

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

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

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

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

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

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

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

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

Income Taxes

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

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

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

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

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

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

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

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

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

Related Party Transactions

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

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

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

Segment Reporting

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

Provisions and Contingencies

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

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated statements of financial position when an inflow of economic benefits is probable.

Events After the Reporting Period

Any post-year-end event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are continually evaluated and are based on historical experience and other factors considered reasonable under the circumstances. Actual results may differ from these estimates.

Judgments

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

Classifying Financial Instruments. The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Group's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Determining Control or Joint Control over an Investee Company. Control is presumed to exist when an investor has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group has determined that by virtue of the Parent Company's majority ownership of voting rights in its subsidiaries as at December 31, 2025 and 2024, it has the ability to exercise control over these investees.

Determining Revenue Recognition Method and Measure of Progress. The Group recognizes revenue from the sale of real estate units over time as the performance obligation is satisfied. In applying PFRS 15, *Revenue from Contracts with Customers*, management exercises judgment in determining that the criteria for over-time revenue recognition are met. Management concluded that the Group's performance does not create an asset with an alternative use to the Group because the real estate unit promised in the contract is specifically identified and the Group is contractually restricted from redirecting the unit to another customer without breaching the contract.

Management also determined that the Group has an enforceable right to payment for performance completed to date, including a reasonable margin, in the event the contract is terminated by the customer other than for the Group's failure to perform.

In addition, management exercises judgment in determining that the input method based on costs incurred relative to total estimated project costs appropriately measures the Group's progress in satisfying the performance obligation because construction costs incurred are considered to be proportionate to the Group's efforts in transferring control of the real estate unit to the customer.

The amount of revenue from real estate sales recognized based on POC in 2025, 2024 and 2023 are disclosed in Note 17. The related cost of real estate sales in 2025, 2024 and 2023 are presented in the consolidated statements of comprehensive income.

Assessing Significant Financing Component on Real Estate Sales. The Group evaluates whether contracts with customers contain a significant financing component. A significant financing component exists when the agreed timing of payments provides a significant benefit to either party. In assessing the existence of significant financing component, the Group considers the following factors:

- The length of time between the transfer of the real estate property and the payments.
- Whether the consideration amount would differ significantly at the time of transfer.
- The interest rate in the prevailing market.

The amount of interest from real estate sales in 2025 and 2024 is disclosed in Note 17.

Classifying Real Estate for Sale, Investment Properties and Property and Equipment. The Group exercises judgment in determining whether a property should be classified as real estate for sale (inventory), investment properties, or property and equipment.

Real estate for sale represents properties held for sale in the ordinary course of business, including land and properties acquired or developed for the purpose of sale to customers.

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

Properties that are used for administrative purposes or in the Group's operations and are not intended for sale in the ordinary course of business, are classified as property and equipment and accounted for in accordance with PAS 16, *Property, Plant and Equipment*.

In making this judgment, management considers several factors including:

- The purpose for which the property was acquired;
- The Group's business model and development plan;
- The expected manner of realization of economic benefit; and
- The historical pattern of sales of similar properties.

Changes in management's intention regarding the use of a property may result in a reclassification between real estate for sale, investment properties, and property and equipment. Any changes in management's intention and the related reclassifications are disclosed accordingly.

The carrying amounts of real estate for sale, investment properties and property and equipment as at December 31, 2025 and 2024 are disclosed in Notes 9, 10 and 11, respectively.

Determining the Highest and Best Use of Investment Properties. The Group determines the highest and best use of its investment properties when measuring fair value. In making its judgment, the Group takes into account the use of the investment properties that is physically possible, legally permissible and financially feasible. The Group has determined that the highest and best use of the investment properties is their current use.

The carrying amounts of investment properties as at December 31, 2025 and 2024 are disclosed in Note 10.

Determining Lease Commitments - Group as Lessor. The Group entered into various lease contracts for its office units in ACPT, retail units in Arya Residences, office units in Savva Financial Center, commercial and office units in Cebu Exchange, and dormitory units in Sevina Park's Courtyard Hall.

The Group has determined that the risks and benefits of ownership related to the leased properties are retained by the Group. Accordingly, the leases are accounted for as operating leases.

The amount of revenue from leasing operations recognized from these operating leases in 2025, 2024 and 2023 are disclosed in Note 22.

Classifying Lease Commitments - Group as a Lessee. The Group has entered into lease agreements as a lessee. For these leases, the Group availed of the exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on short-term leases were recognized as expense on a straight-line basis over the lease term. Rent expense on short-term leases on land and building with less than 12 months term are disclosed in Note 22.

Additionally, the Group has existing non-cancellable lease agreements for transportation equipment for a period of three (3) to five (5) years. Accordingly, ROU assets and lease liabilities have been recognized. The carrying amounts of ROU assets and lease liabilities are disclosed in Notes 11 and 13, respectively.

Accounting Estimates and Assumptions

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Recognizing Revenue and Measuring Progress. The Company recognizes revenue from real estate sales over time using the cost-to-cost input method. The measure of progress is based on costs incurred relative to total estimated construction costs.

Significant estimation is required in determining the total estimated construction costs of each real estate development project. These estimates include costs relating to land development, construction materials, labor, professional fees, permits, and other project-related costs.

The estimated construction costs are reviewed periodically and updated to reflect changes in project scope, construction progress, market conditions, and other relevant factors. Changes in estimated total construction costs may result in adjustments to the POC and revenue recognized.

Estimating Project Costs and Contract Profitability. The Company also exercises judgment in estimating the expected profitability of development projects. When it becomes probable that total project costs will exceed total contract revenues, the expected loss is recognized immediately.

Revisions to project cost estimates and contract profitability may arise from:

- Changes in construction costs;
- Variations in project specifications;
- Changes in regulatory requirements; and
- Other factors affecting the development process.

Changes in estimates are accounted for prospectively in the period in which they are identified. During 2025, management revised its estimate of the total project development costs of Bhavana's Lucima project, which affected the cost of real estate sales. The change in estimate was applied prospectively in accordance with *PFRS 15, Revenue from Contracts with Customers*.

The amount of revenue from real estate sales recognized based on POC and the related cost of real estate sales incurred in 2025, 2024 and 2023 are disclosed in Notes 17 and 9, respectively.

Estimating the Fair Value of Investment Properties. Investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The Group estimates expected future cash flows, yields, occupancy rates and discount rates. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

The carrying amounts of investment properties as at December 31, 2025 and 2024 are disclosed in Note 10.

Determining the NRV of Real Estate for Sale. Real estate for sale is stated at lower of cost or NRV. NRV for completed real estate for sale is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate assets under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less estimated costs to sell. The determination of NRV requires significant estimation, particularly with respect to future selling prices and remaining development costs, which are influenced by market demand, construction cost trends, and other economic factors. Changes in these assumptions may result in adjustments to the carrying amount of real estate for sale in future periods.

No provision for inventory obsolescence was recognized in 2025, 2024 and 2023.

The carrying amounts of real estate for sale as at December 31, 2025 and 2024 are disclosed in Note 9.

Assessing the ECL on Trade Receivables and Contract Assets. The Group assessed the ECL on trade receivables and contract assets and concluded that the resulting impairment is not material, taking into account historical collection experience and the underlying collateral provided by the related real estate units.

No provision for ECL was recognized in 2025, 2024 and 2023. The carrying amounts of the Group's trade receivables and contract assets as at December 31, 2025 and 2024 are disclosed in Notes 7 and 8, respectively.

Assessing the ECL on Other Financial Assets at Amortized Cost. The Group assesses ECL on other financial assets at amortized cost using the general impairment model under PFRS 9. In estimating ECL, management considers the probability of default and potential loss given default over the expected life of the financial assets.

The Group's exposure to credit risk primarily relates to cash and cash equivalents deposited with banks, nontrade and other receivables, and refundable deposits. Cash deposits are placed with reputable financial institutions with high credit ratings and are therefore considered to have low credit risk. For nontrade and other receivables and refundable deposits, credit risk is also considered low as the Group transacts with related parties and reputable counterparties with strong capacity to meet their contractual cash flow obligations in the near term.

The Group considers financial assets that are more than 30 days past due as having experienced a significant increase in credit risk, unless there is reasonable evidence that the delay in payment does not indicate increased credit risk.

Based on this assessment, no provision for ECL on these financial assets was recognized in 2025, 2024 and 2023.

The carrying amounts of other financial assets at amortized cost are disclosed in Notes 5, 7 and 12.

Estimating the Useful Lives of Property and Equipment and Software and Licenses. The Group reviews annually the estimated useful lives of property and equipment and software and licenses based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property and equipment and software and licenses.

There were no changes in the estimated useful lives of property and equipment and software and licenses in 2025, 2024 and 2023.

The carrying amounts of property and equipment and software and licenses as at December 31, 2025 and 2024 are disclosed in Note 11 and 12, respectively.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In making this assessment, management considers both external and internal sources of information, including changes in market conditions, asset performance, and physical condition.

Based on management's assessment, no impairment loss on nonfinancial assets was recognized in 2025, 2024, and 2023.

The carrying amounts of nonfinancial assets are disclosed in Notes 7, 9, 10, 11 and 12.

Estimating Retirement Liability. The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 21 and include among others, discount rate and salary increase rate. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect net retirement liability.

The carrying amounts of net retirement liability as at December 31, 2025 and 2024 are disclosed in Note 21.

Assessing the Realizability of Deferred Tax Assets. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO is based on the projected taxable income in the following periods. Based on the projection, not all future deductible temporary differences will be realized, therefore, certain portion of deferred tax assets was not recognized.

As at December 31, 2025 and 2024, the carrying amounts of deferred tax assets are disclosed in Note 23.

4. **Material Non-Controlling Interests**

The Group's non-controlling interests amounting to ₱2,695.2 million, ₱2,337.6 million, and ₱2,385.2 million as at December 31, 2025, 2024 and 2023, respectively, pertain to interests in SLDC, KHI, Bhavana, Bhavya, and ZLDC.

SLDC

Non-controlling interest over SLDC is 41% as at December 31, 2025, 2024 and 2023.

On March 17 and December 17, 2023, the BOD approved the subscription of HHI to 19.1 million and 2.1 million convertible preferred shares at ₱100 per share or a total amount of ₱2,114.5 million. The subscription was paid through the conversion of HHI's deposit for future stock subscription amounting to ₱1,909.6 million and through cash amounting to ₱204.9 million.

Additional paid-in capital arising from the subscription of the convertible preferred shares aggregated ₱2,093.0 million.

On October 25 and November 29, 2024, the BOD approved the subscription of convertible preferred shares by Help Holdings Inc. (HHI) to 147,900 shares and 58,944 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱20.7 million. The subscription was fully paid through the conversion of HHI's prior advances to the Corporation in the same amount.

Net income of SLDC allocated to non-controlling interests amounted to ₱137.3 million in 2025, ₱150.2 million in 2024 and ₱23.7 million in 2023, which were determined based on the agreement between ALCO and HHI.

On February 23, 2024, SLDC's BOD approved the declaration of cash dividends amounting to ₱390.0 million or ₱780 per share to all stockholders of record on March 12, 2024. The dividends were paid on March 20, 2024.

On June 20, July 25, September 19, and December 11, 2025, the SLDC's BOD approved the subscription of convertible preferred shares by HHI to 27,597 shares, 89,752 shares, 41,156 shares and 446,497 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱2.8 million, ₱9.0 million, ₱4.1 million, and ₱44.6 million, respectively. The subscription was fully paid to SLDC through the conversion of HHI's deposit for future stock subscription. The deposit for future stock subscription was received in 2025 and converted in full during the same year.

The summarized financial information of SLDC, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024
Current assets	₱4,456,029,996	₱4,567,120,456
Noncurrent assets	886,761,640	747,296,912
Current liabilities	(2,803,366,800)	(2,476,471,473)
Noncurrent liabilities	(216,283,888)	(564,042,530)
Net assets	₱2,323,140,948	₱2,273,903,365

	2025	2024	2023
Revenue	₱273,184,403	₱185,019,836	₱2,392,608,813
Expenses	(281,370,185)	(210,296,874)	(1,346,462,251)
Operating income (loss)	(8,185,782)	(25,277,038)	1,046,146,562
Finance cost	(124,775,227)	(141,177,624)	(130,048,494)
Other income - net	118,109,810	242,994,847	100,760,291
Income (loss) before income tax	(14,851,199)	76,540,185	1,016,858,359
Provision for (benefit from) income tax	(3,588,582)	20,229,203	253,662,465
Net income (loss)	(₱11,262,617)	₱56,310,982	₱763,195,894

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₱44,557,574)	₱177,112,620	₱1,026,911,397
Investing activities	121,616,959	75,894,082	188,716,135
Financing activities	(64,684,062)	(631,925,283)	(1,013,845,574)
Net increase (decrease) in cash and cash equivalents	12,375,323	(378,918,581)	201,781,958
Cash and cash equivalents at beginning of year	137,800,805	516,719,386	314,937,428
Cash and cash equivalents at end of year	₱150,176,128	₱137,800,805	₱516,719,386

KHI

The Group has 40% non-controlling interest in KHI. The net income (loss) of KHI allocated to non-controlling interests amounted to (₱60.5 million) in 2025, (₱38.2 million) in 2024 and ₱295.8 million in 2023, which were determined based on capital contribution.

On August 25, 2023, KHI's BOD approved the declaration of cash dividends amounting to ₱530.0 million or ₱42.4 per share to all stockholders of record on September 11, 2023. The cash dividends were paid on September 18, 2023.

On February 23, 2024, KHI's BOD approved the declaration of cash dividends amounting to ₱390.0 million or ₱31.2 per share to all stockholders of record on March 12, 2024. The cash dividends were paid on March 21, 2024. Additionally, the BOD approved to repay the advances to ALCO amounting to ₱138.0 million and to MEC amounting to ₱92.0 million.

The summarized financial information of KHI, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2021 is as follows:

	2025	2024	
Current assets	₱133,454,689	₱355,985,185	
Noncurrent assets	50,327,327	51,450,194	
Current liabilities	(163,167,627)	(384,148,252)	
Net assets	₱20,614,389	₱23,287,127	

	2025	2024	2023
Other income - net	₱3,514,458	₱404,844,820	₱548,697,258
Expenses	(6,117,487)	(16,205,067)	(18,194,724)
Income (loss) before income tax	(2,603,029)	388,639,753	530,502,534
Provision for income tax	69,709	381,050	532,571
Net income (loss)	(₱2,672,738)	₱388,258,703	₱529,969,963

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₱3,527,965)	(₱3,625,701)	₱469,889,770
Investing activities	224,000,000	629,418,292	521,374,717
Financing activities	(224,000,000)	(624,265,253)	(988,793,999)
Net increase (decrease) in cash and cash equivalents	(3,527,965)	1,527,338	2,470,488
Cash and cash equivalents at beginning of year	4,686,779	3,159,441	688,953
Cash and cash equivalents at end of year	₱1,158,814	₱4,686,779	₱3,159,441

Bhavana and Bhavya

In 2025, net income (loss) of Bhavana and Bhavya allocated to non-controlling interests amounted to (₱149.8 million) and ₱66.0 million, respectively, which were determined based on capital contribution. In 2024, net income of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱50.0 million and ₱20.4 million, respectively. In 2023, net income of Bhavana and Bhavya allocated to non-controlling interests amounted to ₱78.3 million and ₱42.9 million, respectively.

In 2023, Narra also subscribed to 442,000 preferred shares of Bhavya for a total subscription amount of ₱44.2 million.

On February 16, 2023, Bhavana's BOD approved the appropriation of ₱110.0 million retained earnings to provide additional reserves for the ongoing construction of Lucima.

On March 20, 2024, Bhavya's BOD approved the subscription of Narra to 300,000 Bhavya's preferred shares of Bhavya at the price of ₱100 per share, or a total of ₱30.0 million. The subscription was fully paid in the same month. Moreover, in October and December 2024, Narra subscribed to an additional 240,000 preferred shares at the price of ₱100 per share for ₱24.0 million.

In December 2024, Narra subscribed to 180,000 preferred shares of Bhavana at the price of ₱100 per share, or a total of ₱18.0 million.

The summarized financial information of Bhavana, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024
Current assets	₹3,355,264,128	₹3,456,855,114
Noncurrent assets	90,900,806	50,844,308
Current liabilities	(2,200,516,259)	(1,847,265,788)
Noncurrent liabilities	(1,442,881,885)	(1,483,272,161)
Net assets	(₹197,233,210)	₹177,161,473

	2025	2024	2023
Revenue	₹755,761,469	₹1,498,794,548	₹1,512,300,615
Expenses	(1,261,246,647)	(1,339,717,677)	(1,257,960,075)
Operating income (loss)	(505,485,178)	159,076,871	254,340,540
Other income - net	6,499,591	8,359,714	6,632,700
Income (loss) before income tax	(498,985,587)	167,436,585	260,973,240
Provision for (benefit from) income tax	(124,590,904)	42,417,787	65,161,316
Total comprehensive income (loss)	(₹374,394,683)	₹125,018,798	₹195,811,924

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₹136,216,446)	(₹78,870,446)	(₹142,388,675)
Investing activities	545,223	91,277,535	(27,067,756)
Financing activities	46,464,874	38,823,281	177,775,984
Net increase (decrease) in cash and cash equivalents	(89,206,349)	51,230,370	8,319,553
Cash and cash equivalents at beginning of year	113,393,002	62,162,632	53,843,079
Cash and cash equivalents at end of year	₹24,186,653	₹113,393,002	₹62,162,632

The summarized financial information of Bhavya, before intercompany eliminations, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024
Current assets	₹4,042,066,991	₹2,504,747,283
Noncurrent assets	313,596,170	312,474,027
Current liabilities	(2,630,902,076)	(1,178,025,349)
Noncurrent liabilities	(1,397,283,538)	(1,476,838,682)
Net assets	₹327,477,547	₹162,357,279

	2025	2024	2023
Revenue	₱1,373,074,624	₱777,396,827	₱565,910,408
Expenses	(1,144,290,425)	(712,038,594)	(426,187,267)
Operating income	228,784,199	65,358,233	139,723,141
Other income - net	3,431,300	4,858,118	3,185,506
Income before income tax	232,215,499	70,216,351	142,908,647
Provision for income tax	67,095,231	19,118,170	35,766,156
Total comprehensive income	₱165,120,268	₱51,098,181	₱107,142,491

	2025	2024	2023
Net cash flows provided by (used in):			
Operating activities	(₱709,009,347)	(₱398,524,546)	(₱449,043,721)
Investing activities	(591,614)	21,740,678	(35,224,623)
Financing activities	671,257,360	402,074,916	474,316,962
Net increase (decrease) in cash and cash equivalents	(38,343,601)	25,291,048	(9,951,382)
Cash and cash equivalents at beginning of year	63,463,614	38,172,566	48,123,948
Cash and cash equivalents at end of year	₱25,120,013	₱63,463,614	₱38,172,566

ZLDC

In December 2025, ALCO sold, transferred and conveyed in favor of SEAIMMO, by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of its common and preferred shares, or 200,000 common shares and 2,840,000 Preferred Shares Series B thereof, as well as its shareholder advances aggregating ₱216.0 million. The transfer of shares decreased the effective ownership of ALCO from 100% to 60%. The assignment of advances resulted to a gain of ₱204.8 million (see Note 20). As at December 31, 2025, ALCO has a receivable from SEAIMMO related to the sale and assignment of advances amounting to ₱724.8 million (see Note 7). The amount was subsequently received in January 2026.

As at December 31, 2025, the Group has 40% non-controlling interest in ZLDC.

The summarized financial information of ZLDC, before intercompany eliminations, as at and for the year ended December 31, 2025 is as follows:

Current assets	₱2,478,182,540
Noncurrent assets	81,502,198
Current liabilities	(13,299,985)
Noncurrent liabilities	(1,842,553,338)
Net assets	₱703,831,415

Expenses	₱28,677,254
Finance costs	29,940,894
Interest income	(654,696)
Loss before income tax	57,963,452
Benefit from income tax	(15,731,941)
Total comprehensive loss	₱42,231,511

Net cash flows provided by (used in):	
Operating activities	(P1,820,568,759)
Financing activities	1,843,547,015
Net increase in cash and cash equivalents	22,978,256
Cash and cash equivalents at beginning of year	25,412,714
Cash and cash equivalents at end of year	P48,390,970

Advances from Non-Controlling Interests

The Group has the following transactions with the non-controlling interests:

	Amount of Transactions		Outstanding Balance	
	2025	2024	2025	2024
Advances for Project Development				
HHI	P—	P—	P417,919,597	P495,919,597
Narra	—	—	411,200,000	411,200,000
SEAIMMO	216,000,000	—	216,000,000	—
MEC	—	—	13,400,000	103,000,000
			P1,058,519,597	P1,010,119,597

SLDC, KHI, Bhavana and Bhavya received advances from related parties. All outstanding balances are unsecured, payable on demand and in cash, and interest-bearing except for advances from HHI.

In 2025, KHI and SLDC paid advances to MEC and HHI amounting to P89.6 million and P78.0 million, respectively. In 2024, KHI paid advances to MEC amounting to P92.0 million.

5. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P225,860	P195,000
Cash in banks	994,966,262	1,171,587,035
Cash equivalents	385,922,621	2,874,181,627
	P1,381,114,743	P4,045,963,662

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations. Cash equivalents are short-term placements made for varying periods up to three (3) months or less and earn interest at the prevailing short-term investment rates.

Interest income is earned from the following (see Note 20):

	2025	2024	2023
Cash in banks	P2,350,323	P2,872,629	P4,275,164
Cash equivalents	73,432,966	246,284,095	289,117,399
	P75,783,289	P249,156,724	P293,392,563

6. Financial Assets at FVPL

Financial assets at FVPL are investments in unit investment trust funds.

Movements in this account are as follows:

	Note	2025	2024
Balance at beginning of year		₱1,895,958,320	₱877,853,288
Additions		12,760,000,000	13,625,494,489
Disposals		(14,386,967,623)	(12,619,565,831)
Unrealized holding gains	20	2,321,476	12,176,374
Balance at end of year		₱271,312,173	₱1,895,958,320

Realized gain on disposals of financial assets at FVPL amounted to ₱83.0 million, ₱84.0 million and ₱73.2 million in 2025, 2024, and 2023, respectively (see Note 20).

The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices (see Note 28).

7. Receivables

This account consists of:

	Note	2025	2024
Trade receivables from:			
Sale of real estate		₱2,426,309,549	₱1,390,508,427
Leasing	22	100,615,456	163,093,802
Receivable from sale of interest in subsidiary	4	724,831,916	–
Advances to employees		19,101,526	14,462,155
Interest receivable		14,192	67,976,874
Other receivables		146,051,720	137,380,821
		3,416,924,359	1,773,422,079
Allowance for ECL		(1,746,790)	(1,746,790)
		₱3,415,177,569	₱1,771,675,289

Trade receivables from sale of real estate relate to sale of condominium units, retail units, lots, and residential townhouses that were already billed and which are generally collectible in monthly installments over a maximum period of three (3) years. Titles to the units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Trade receivables from leasing operations are non-interest bearing, unsecured and collectible within seven (7) days from billing date.

Advances to employees represent salary and other loans granted to employees which are non-interest bearing in nature and collectible through salary deductions.

Interest receivable includes accrual of interest from the Group's short-term placements.

Other receivables mainly include accrued rent receivables (see Note 22), other charges, and advances which are non-interest bearing and collectible on demand.

8. Contract Assets and Contract Liabilities

The Group's contract assets and contract liabilities are as follows:

	2025	2024
Contract assets	₱8,891,243,368	₱7,625,261,813
Contract liabilities	595,701,610	428,492,840
Net contract assets	₱8,295,541,758	₱7,196,768,973

Contract assets pertain to receivables from the sale of condominium and office units and residential townhouses of the Group representing the excess of cumulative revenues from real estate sales over billed amounts. These amounts will be billed and collected in accordance with the agreed payment terms with the buyers, which is normally up to maximum of three (3) years. Increase in contract assets pertains to the additional revenues over billed receivables during the year.

Contract liabilities pertain to downpayments received from the real estate buyers at the inception of the contracts in which the related revenue is not yet recognized at the end of the year.

Movements in the contract assets account are as follows:

	2025	2024
Balance at beginning of year	₱7,625,261,813	₱5,540,326,910
Increase due to satisfaction of performance obligation over time	4,146,725,690	5,533,305,662
Transfers to trade receivables	(2,547,925,687)	(3,384,241,822)
Accretion of interest income from significant financing component	(73,319,996)	(59,125,201)
Reversal due to cancellation of sales	(259,498,452)	(5,003,736)
Balance at end of year	₱8,891,243,368	₱7,625,261,813

Movements in the contract liabilities account are as follows:

	2025	2024
Balance at beginning of year	₱428,492,840	₱210,884,955
Increase due to cash received or billings due in excess of performance to date	622,759,897	445,441,020
Revenue recognized	(446,964,455)	(227,833,135)
Reversal due to cancellation of sales	(8,586,672)	—
Balance at end of year	₱595,701,610	₱428,492,840

9. Real Estate for Sale

This account consists of:

	2025	2024
Land and assets under construction	₱11,743,425,793	₱5,962,210,763
Office units for sale	1,363,380,310	1,308,963,974
	₱13,106,806,103	₱7,271,174,737

Movements of this account follow:

	Note	2025	2024
Balance at beginning of year		₱7,271,174,737	₱7,548,831,703
Acquisition of raw land		5,240,175,882	32,122,991
Construction costs incurred		3,153,293,006	2,006,715,874
Cost of real estate sold		(3,041,995,459)	(4,297,157,327)
Repossessions		511,837,729	1,479,643,756
Transfers from (to) investment properties	10	(27,679,792)	501,017,740
Balance at end of year		₱13,106,806,103	₱7,271,174,737

Repossessions arising from cancellation of sales due to buyer's default in payments represent previously sold units which were recorded back as "Real estate for sale". These are recorded at fair value less cost to repossess and are held for sale in the ordinary course of business. Gain on repossession amounted to ₱14.4 million, ₱68.2 million and ₱97.0 million in 2025, 2024 and 2023, respectively (see Note 20).

Land and Assets under Construction

These consist of land and development costs of ongoing real estate projects of the Group. As at December 31, 2025 and 2024, this account includes the land and development costs of Sevina Park Villas and Una Apartments, Lucima, and Eluria (see Note 1).

In 2025, the Group acquired land for the development of Sondris, LIV North, and Project Vanilla. For Project Vanilla, the Group entered into a Sale and Purchase Agreement to acquire 14 parcels of land in Banilad Road, Cebu City for a total consideration of ₱1,860.2 million, intended for mixed-use real estate development. The acquisition was undertaken jointly with other co-buyers and is to be allocated based on a land allocation agreement. Under the terms of the agreement, the Transfer Certificates of Title (TCTs) for these properties were placed in escrow with a local bank. The TCTs will be released progressively upon the completion of agreed development milestones and settlement of the three annual installment payments beginning in 2026 (see Note 13).

The land of Sevina Park with a carrying amount of ₱658.8 million as at December 31, 2025 and 2024 was mortgaged as collateral for long-term loan facility with a local bank with an outstanding balance of ₱262.3 million and ₱677.4 million as at December 31, 2025 and 2024, respectively (see Note 14).

The land of Eluria with carrying amount of ₱780.4 million as at December 31, 2025 and 2024 are used as security for the bank loan of Bhavya with an outstanding balance of ₱811.2 million and ₱925.8 million as at December 31, 2025 and 2024, respectively (see Note 14).

The land of Lucima Residences with a carrying amount of ₱794.5 million as at December 31, 2025 and 2024 are used as security for the bank loan of Bhavana with an outstanding balance of ₱627.5 million and ₱892.3 million as at December 31, 2025 and 2024, respectively (see Note 14).

The land of Sondris with carrying amount of ₱178.9 million is used as security for the bank loan of ZLDC with outstanding balance of ₱1,113.1 million as at December 31, 2025 (see Note 14).

In 2024, Cazneau transferred a portion of a parcel of land from “Investment properties” account to “Real estate for sale” account aggregating ₱501.0 million. In 2025, SLDC transferred certain parking slots to “Investment properties” account from “Real estate for sale” account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 10).

Office Units for Sale

The carrying amount of office units for sale represents amounts reclassified from land cost and assets under construction upon completion of the related property.

NRV of Real Estate for Sale

As at December 31, 2025 and 2024, real estate for sale, except for repossessions measured at fair value less costs to repossess, is stated at cost which is lower than its NRV. There is no allowance for inventory obsolescence as at December 31, 2025 and 2024.

10. Investment Properties

Investment properties consist of completed real estate projects and land held to earn rental income and/or for capital appreciation and not for sale in the ordinary course of business nor for administrative purposes.

	2025	2024
ACPT	₱8,052,704,020	₱7,200,420,660
Cebu Exchange	3,661,000,000	3,033,000,003
Arya Residences:		
Retail units	1,464,000,000	1,444,698,000
Parking slots	203,000,000	198,452,000
Land:		
UPHI’s Laguna and Tagaytay properties	1,393,428,475	1,161,190,392
ALCO’s Batangas and Tagaytay properties	389,231,010	325,642,500
Savya Financial Center	878,000,000	739,000,000
Courtyard Hall	527,926,000	487,616,000
	₱16,569,289,505	₱14,590,019,555

Movements of this account follow:

	Note	2025	2024
Balance at beginning of year, at cost		₱5,220,317,669	₱5,287,300,691
Transfers from (to) real estate for sale	9	27,679,792	(78,570,201)
Development costs incurred		9,290,771	50,635,249
Disposal		—	(39,048,070)
Balance at end of year, at cost		5,257,288,232	5,220,317,669
Cumulative gains on change in fair value		11,294,769,029	9,353,995,493
		16,552,057,261	14,574,313,162
Unamortized initial direct leasing costs		17,232,244	15,706,393
Balance at end of year, at fair value		₱16,569,289,505	₱14,590,019,555

Movements of the cumulative gains on change in fair value are as follows:

	Note	2025	2024
Balance at beginning of year		₱9,353,995,493	₱7,879,588,682
Net gain on change in fair value		1,940,773,536	1,933,989,204
Transfers to real estate for sale	9	–	(422,447,539)
Disposals		–	(37,134,854)
Balance at end of year		₱11,294,769,029	₱9,353,995,493

Movements of the unamortized initial direct leasing costs are as follows:

	2025	2024
Balance at beginning of year	₱15,706,393	₱8,743,074
Additions	7,182,147	12,302,003
Amortization	(5,656,296)	(5,338,684)
Balance at end of year	₱17,232,244	₱15,706,393

ACPT

The carrying amount of ACPT includes office units and parking slots for lease. ACPT office units are used as collateral for loans payable amounting to ₱1,488.8 million and ₱598.4 million as at December 31, 2025 and 2024, respectively (see Note 14).

Cebu Exchange

The carrying amount of Cebu Exchange includes office units and parking slots for lease. The Group sold investment properties resulting to a gain on sale amounting to ₱1.2 million in 2023 (see Note 20). In 2025, office units and parking spaces of Cebu Exchange with carrying amount of ₱3,476.7 were used as security of the Group's loans related to the development of green projects and general working fund requirements of CLLC with outstanding balances of ₱983.7 million and ₱610.0 million as at December 31, 2025, respectively.

Arya Residences

Retail units and parking slots in Arya Residences are used for leasing operations. In 2024, the Group sold investment properties resulting to a loss on sale amounting to ₱1.2 million in 2024 (see Note 20).

Land

UPHI's raw land has a total area of 33 hectares and are located at Barangay Gonzalo Bontog, Calamba City and Barangay Calabuso, Tagaytay City. Part of UPHI's land was expropriated by the National Power Corporation (NAPOCOR), leading to court proceedings. While others appealed the compensation amount, UPHI plans to settle with the National Transmission Corporation (NTC) (NAPOCOR's successor) since it can no longer use the property. Management believes this settlement won't significantly impact the consolidated financial statements but could help recover the property's cost.

Moreover, UPHI filed a complaint ("Complaint") for quieting of title on October 18, 2010, due to incorrect tax declarations by the City of Tagaytay for its Calamba City property. The trial court ruled in UPHI's favor in June 2020. The defendants appealed to the Court of Appeals (CA), but on July 31, 2023, the CA upheld the trial court's decision. Their Motions for Reconsideration were also denied on February 15, 2024. Both filed petitions for review under Rule 45 of the Rules of Court before the Supreme Court in April 2024 while UPHI submitted its Comment/Opposition to the same in October 2024.

The Supreme Court rendered its Decision on August 11, 2025 denying the consolidated petitions and affirmed the Order of the trial court dated July 31, 2023 and the Resolution of the CA dated February 15, 2024. The City of Tagaytay and one of the individual defendants filed their Motions for Reconsideration on March 7, 2026 and March 24, 2026, respectively.

ALCO's Batangas and Tagaytay properties have a total area of 10.3 hectares.

In 2024, Cazneau transferred commercial lots from "Investment Properties" to "Real estate for sale" account with fair value of ₱501.0 million because of the change in the intended use of the property as approved by the BOD (see Note 9).

Savya Financial Center

The carrying amount of Savya Financial Center includes office units and parking slots for lease.

In 2025, SLDC transferred certain parking slots to "Investment properties" account from "Real estate for sale" account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 9).

Courtyard Hall

The land attributable to Cazneau's Courtyard Hall with a carrying amount of ₱393.5 million and ₱198.3 million as at December 31, 2025 and 2024, respectively, was used as collateral for a long-term loan facility of Cazneau with an outstanding balance of ₱262.3 million and ₱677.4 million as at December 31, 2025 and 2024, respectively (see Note 14).

Leasing Operations

The Group recognized revenue from leasing operations amounting to ₱705.1 million in 2025, ₱414.9 million in 2024 and ₱366.3 million in 2023 (see Note 17) and incurred direct cost of leasing amounting to ₱176.6 million in 2025, ₱161.8 million in 2024 and ₱143.3 million in 2023.

Fair Value Measurement

The fair values of investment properties were determined by an independent, SEC-accredited appraiser, Asian Appraisal Company, Inc., with appropriate professional qualifications and relevant experience in the location and category of the properties being valued. The valuation was performed as at December 31, 2025 and 2024. The Group has determined that the current use of its investment properties represents their highest and best use.

Class of Property	Valuation Technique	Significant Inputs	Range	
			2025	2024
ACPT	Discounted cash flow (DCF) approach	Discount rate	8.63%	9.20%
		Rental rate per sqm	₱1,850	₱1,904
		Rental rate per slot	₱9,500	₱8,888
		Calculated no. of net leasable area (sqm)	18,059	18,059
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Cebu Exchange: Retail units	DCF approach	Rental rate per sqm	₱1,470	₱1,389
		Rent escalation rate per annum (p.a.)	5%	5%
		Discount rate	8.63%	9.20%
		Vacancy rate	25%	25%
		Income tax rate	25%	25%
		Rental rate per sqm	₱940	₱830
Office units	DCF approach	Rent escalation rate p.a.	5%	5%
		Discount rate	8.63%	9.20%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%

(Forward)

			Range	
Class of Property	Valuation Technique	Significant Inputs	2025	2024
Parking slots	DCF approach	Rental rate per slot	₱5,812	₱5,670
		Rent escalation rate p.a.	5%	5%
		Discount rate	8.63%	9.20%
		Vacancy rate	40%	40%
		Income tax rate	25%	25%
Arya Residences: Retail units	DCF approach	Rental rate per sqm	₱3,300	₱3,745
		Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	9.20%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
Parking slots	DCF approach	Rental rate per slot	₱8,500	₱8,828
		Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	9.20%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
Land:				
UPHI's Laguna and Tagaytay properties	Market data approach	Price per sqm	₱4,200	₱2,900
		Value adjustments	-15% to 10%	5% to 10%
ALCO's Batangas and Tagaytay properties	Market data approach	Price per sqm	₱3,600 - ₱3,800	₱2,700
Savya Financial Center	DCF approach	Value adjustments	-25% to 40%	-30% to 5%
		Rental rate per sqm	₱800	₱900
		Rent escalation rate p.a.	0% - 6%	0% - 6%
		Discount rate	8.63%	9.20%
		Vacancy rate	Not material / negligible	Not material / negligible
Income tax rate	25%	25%		
Parking slots	DCF approach	Rental rate per slot	₱5,200	₱5,200
		Rent escalation rate p.a.	0% - 5%	0% - 5%
		Discount rate	8.63%	9.20%
		Vacancy rate	Not material / negligible	Not material / negligible
		Income tax rate	25%	25%
Cazneau's Courtyard Hall Building	Depreciated replacement cost method	Estimated replacement cost	₱170,297,000	₱152,071,000
		Remaining economic life	31 years	32 years
Land	Market data approach	Price per sqm	₱102,000	₱92,000
		Value adjustments	-15% to -10%	15% to 20%

The description of the valuation techniques and inputs used in the fair value measurement are as follows:

Discounted Cash Flow Approach

Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market-derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Sensitivity Analysis. A reasonably possible change in key assumptions would have the following effects:

- An increase (decrease) in rental rates and rent escalation rates would result in a corresponding increase (decrease) in fair value.
- An increase (decrease) in discount rates and vacancy rates would result in a corresponding decrease (increase) in fair value.

Market Data Approach

Market data approach involves the comparison of the UPHI's Laguna and Tagaytay properties, Cazneau's Laguna properties and ALCO's Batangas and Tagaytay properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size and architectural features among others.

Depreciated Replacement Cost Method

Depreciated replacement cost method is used to estimate valuation of the Courtyard Hall by computing for the replacement cost of the assets and applying appropriate adjustments for physical deterioration and functional and economic obsolescence.

The reconciliation of the balances of investments properties classified according to level in the fair value hierarchy is as follows:

	2025		
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balance at beginning of year	₱1,971,065,512	₱12,618,954,043	₱14,590,019,555
Net gain on change in fair value	295,825,979	1,644,947,557	1,940,773,536
Transfers from real estate for sale	—	27,679,792	27,679,792
Construction costs incurred	—	9,290,771	9,290,771
Initial direct leasing costs	—	1,525,851	1,525,851
Balance at end of year	₱2,266,891,491	₱14,302,398,014	₱16,569,289,505

	2024		Total
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Balance at beginning of year	₱1,856,644,669	₱11,318,987,778	₱13,175,632,447
Net gain on change in fair value	615,438,583	1,318,550,621	1,933,989,204
Transfers to real estate for sale	(501,017,740)	—	(501,017,740)
Disposals	—	(76,182,924)	(76,182,924)
Construction costs incurred	—	50,635,249	50,635,249
Initial direct leasing costs	—	6,963,319	6,963,319
Balance at end of year	₱1,971,065,512	₱12,618,954,043	₱14,590,019,555

There are no transfers between the levels of fair value hierarchy in 2025, 2024 and 2023.

11. Property and Equipment

The details and movements of this account consist of:

	2025							Total
	Building and Improvements	Building Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	ROU Assets	
Cost								
Balances at beginning of year	₱256,707,392	₱80,315,611	₱65,806,721	₱110,863,832	₱78,500	₱—	₱29,028,000	₱542,800,056
Additions	1,102,620	—	10,452,499	1,037,910	—	21,351,868	38,246,000	72,190,897
Disposals	—	(13,595,536)	—	—	—	—	—	(13,595,536)
Balances at end of year	257,810,012	66,720,075	76,259,220	111,901,742	78,500	21,351,868	67,274,000	601,395,417
Accumulated Depreciation and Amortization								
Balances at beginning of year	50,126,062	48,273,878	54,772,115	83,405,040	78,500	—	4,526,000	241,181,595
Depreciation and amortization	4,887,416	13,076,008	9,499,513	20,902,090	—	—	13,081,356	61,446,383
Disposals	—	(13,595,536)	—	—	—	—	—	(13,595,536)
Balances at end of year	55,013,478	47,754,350	64,271,628	104,307,130	78,500	—	17,607,356	289,032,442
Carrying Amount	₱202,796,534	₱18,965,725	₱11,987,592	₱7,594,612	₱—	₱21,351,868	₱49,666,644	₱312,362,975

	2024							Total
	Building and Improvements	Building Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	ROU Assets	
Cost								
Balances at beginning of year	₱253,399,531	₱92,771,505	₱57,247,428	₱102,634,798	₱78,500	₱—	₱—	₱506,131,762
Additions	3,307,861	66,696	8,823,007	8,229,034	—	—	29,028,000	49,454,598
Disposals	—	(12,522,590)	—	—	—	—	—	(12,522,590)
Reclassification	—	—	(263,714)	—	—	—	—	(263,714)
Balances at end of year	256,707,392	80,315,611	65,806,721	110,863,832	78,500	—	29,028,000	542,800,056
Accumulated Depreciation and Amortization								
Balances at beginning of year	45,253,058	42,706,435	46,524,017	55,801,083	78,500	—	—	190,363,093
Depreciation and amortization	4,873,004	18,090,033	8,419,844	27,603,957	—	—	4,526,000	63,512,838
Disposals	—	(12,522,590)	—	—	—	—	—	(12,522,590)
Reclassification	—	—	(171,746)	—	—	—	—	(171,746)
Balances at end of year	50,126,062	48,273,878	54,772,115	83,405,040	78,500	—	4,526,000	241,181,595
Carrying Amount	₱206,581,330	₱32,041,733	₱11,034,606	₱27,458,792	₱—	₱—	₱24,502,000	₱301,618,461

The Group has fully depreciated property and equipment still being used in operations with cost amounting to ₱116.3 million and ₱93.2 million as at December 31, 2025 and 2024, respectively.

The Parent Company sold property and equipment which resulted to gain (loss) on disposal amounting to ₱4.5 million in 2024 and (₱0.9 million) in 2023 (see Note 20).

Depreciation and amortization were charged to:

	Note	2025	2024	2023
Operating expenses	18	₱70,607,775	₱68,537,131	₱62,614,519
Cost of services		–	48,016	137,608
		₱70,607,775	₱68,585,147	₱62,752,127

Breakdown of the depreciation and amortization expense follows:

	Note	2025	2024	2023
Property and equipment		₱61,446,383	₱63,512,838	₱59,938,650
Software and licenses	12	9,161,392	5,072,309	2,813,477
		₱70,607,775	₱68,585,147	₱62,752,127

12. Other Assets

This account consists of:

	Note	2025	2024
Advances for project development and land acquisition		832,690,186	₱663,759,829
Amounts held in escrow		249,763,060	335,370,367
Prepayments		199,392,189	160,429,517
Net deferred tax assets	23	169,532,699	–
Deposits		142,030,117	502,128,321
Software and licenses		83,823,848	39,185,585
Amounts held in trust		40,019,673	9,503,621
Others		20,483,253	19,574,907
		1,737,735,025	1,729,952,147
Allowance for impairment loss		(16,002,600)	(16,002,600)
		₱1,721,732,425	₱1,713,949,547

Advances for project development and land acquisition pertain to downpayments made to contractors for the construction and acquisition of land of the Group's real estate projects. These advances are applied against progress billings and upon transfer of land.

Amounts held in escrow represent the debt service account required under existing loans with local banks and the amount of which is equivalent to a quarterly principal and interest amortization.

Prepayments include prepaid taxes, insurance, and prepaid commission related to the costs incurred to obtain contracts with customers. Prepayments are amortized over a year, except for prepaid commissions, which are amortized over the lease term for leasing and based on percentage of completion for selling.

Deposits pertain to utility, professional services and guarantee deposits for the construction of the Group's real estate projects. These are settled upon completion of the documentary requirements. In 2024, the Group recognized a provision of allowance for impairment loss pertaining to deposits amounting to ₱16.0 million.

The carrying amount of software and licenses amounted to ₱83.8 million and ₱39.2 million as at December 31, 2025 and 2024, respectively. Amortization of software and licenses recorded as part of “Depreciation and amortization” account in the consolidated statements of comprehensive income amounted to ₱9.2 million, ₱5.1 million and ₱2.8 million in 2025, 2024 and 2023, respectively (see Note 11).

Amounts held in trust represent cash in bank held under trust pursuant to the Group’s applications for socialized housing with the Department of Human Settlements and Urban Development in relation to its projects.

Others include deferred input VAT and materials and supplies related to excess construction materials and supplies from the construction of completed real estate projects.

13. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Accounts payable		₱549,263,961	₱440,687,961
Accrued expenses		2,121,903,850	1,596,863,305
Payable to landowners	9	1,860,247,000	–
Deferred output VAT		1,170,312,492	923,068,600
Retention payable		672,178,812	637,212,543
Advances from buyers		220,418,284	281,430,016
Security deposits	22	147,467,673	125,302,311
Statutory payables		73,752,488	31,599,994
Advance rent	22	72,485,342	58,517,124
Lease liabilities		51,920,116	25,187,149
Dividend payable		4,396,992	51,132,727
Others		66,156,033	91,191,005
		₱7,010,503,043	₱4,262,192,735

Accounts payable, which are unsecured, non-interest bearing and are normally settled within 30 days to one (1) year, consist mainly of liabilities to contractors and suppliers.

Accrued expenses are expected to be settled within the next 12 months. This account consists of:

	2025	2024
Construction costs	₱1,799,173,204	₱1,125,327,687
Interest	194,493,065	369,938,025
Personnel cost	6,228,664	1,794,659
Others	122,008,917	99,802,934
	₱2,121,903,850	₱1,596,863,305

Other accrued expenses pertain to management and professional fees, utilities, commissions, advertising and other expenses.

Payable to landowners pertains to the remaining purchase price of land intended for the future development of Project Vanilla (see Note 9). Future repayment of the outstanding balance is as follows:

Less than 1 year	₱500,000,000
1 to 2 years	607,000,000
2 to 3 years	753,247,000
	₱1,860,247,000

Deferred output VAT pertains to VAT from sales of property on installments and receivables from leasing operations. If the payments in the year of sale do not exceed 25% of the gross selling price, the sale will be considered under installment, in which case VAT will be paid based on collections.

Retention payable, which will be released after completion and satisfaction of the terms and conditions of the construction contract, pertains to amount retained by the Group from the contractors' progress billings for the real estate projects of the Group.

Advances from buyers include reservation fees and collections received from prospective lessees or buyers, which are and to be applied as security deposits upon execution of lease contracts or against the total contract price of the real estate sale. These are recorded at face amount.

Security deposits pertain to the deposits made by the lessees of the ACPT, Arya retail units, Savya Financial Center, Cebu Exchange, and dormitory units which are refundable upon termination of the lease less any unsettled balances.

Statutory payables pertain to various withheld taxes payable to the government agencies which are generally paid within the next reporting period.

Advance rent pertains to the payments made in advance by the tenants to be applied to their rent payable in the immediately succeeding months or in the last three (3) months of the lease term.

The balance and movements in lease liabilities follow:

	Note	2025	2024
Balance at beginning of year		₱25,187,149	₱—
Additions		38,246,000	29,015,160
Rental payments		(15,845,305)	(5,568,750)
Interest expense	14	4,332,272	1,740,739
Balance at end of year		51,920,116	25,187,149
Current portion of lease liability		16,632,437	17,629,344
Noncurrent portion of lease liability		₱35,287,679	₱7,557,805

As at December 31, 2025 and 2024, the future minimum lease payments are as follows:

	2025	2024
Within one year	₱20,318,285	₱8,449,691
More than one year but less than three years	29,533,622	21,275,156
More than three years	9,744,281	3,856,294
	₱59,596,188	₱33,581,141

Other payables include construction bonds, liabilities to SSS, PhilHealth and HDMF, payables to certain buyers as at cutoff date.

14. Loans Payable

This account consists of outstanding loans with:

	2025	2024
Local banks	₱18,646,599,606	₱12,422,800,781
Private funders	53,223,970	53,223,970
	₱18,699,823,576	₱12,476,024,751

Movements of this account follow:

	2025	2024
Balance at beginning of year	₱12,492,459,796	₱11,217,702,057
Availments	19,405,606,381	10,013,779,699
Payments	(13,136,165,857)	(8,739,021,960)
Balance at end of year	18,761,900,320	12,492,459,796
Unamortized debt issue cost	(62,076,744)	(16,435,045)
	18,699,823,576	12,476,024,751
Less current portion of loans payable	11,426,598,458	8,699,545,361
Noncurrent portion of loans payable	₱7,273,225,118	₱3,776,479,390

Movements in debt issue cost are as follows:

	2025	2024
Balance at beginning of year	₱16,435,045	₱30,884,861
Additions	62,048,265	2,812,500
Amortization	(16,406,566)	(17,262,316)
Balance at end of year	₱62,076,744	₱16,435,045

Future repayment of the outstanding principal amounts of loans payable is as follows:

	2025	2024
Within one (1) year	₱11,431,029,373	₱8,699,545,361
After one (1) year but not more than three (3) years	3,708,247,503	3,792,914,435
More than three (3) years	3,622,623,444	—
	₱18,761,900,320	₱12,492,459,796

Local Bank Loans

These are secured and unsecured loans from local banks obtained to finance the Group's working capital requirements, project development and acquisition of properties. These loans have interest rates ranging from 6.17% to 9.10% in 2025, and 5.50% to 9.10% in 2024 and 2023.

Details of outstanding local bank loans as at December 31 follow:

Purpose	Terms and Security	Effective interest rate (p.a.)	2025	2024
<i>Short-term loans:</i>				
Short-term loans for working fund requirements	Unsecured and payable in full within one (1) year	7.0% to 8.85%	₱2,411,354,634	₱2,351,281,667
Short-term loan for working fund requirement of Savva	Unsecured and payable in full within one (1) year	7.50% to 8.50%	1,332,644,900	745,326,625
Short-term loans for working fund requirements of Cazneau	Unsecured and payable in full within one (1) year	7.50% to 8.50%	326,045,000	69,100,000
Short-term loans for working fund requirements of Eluria	Unsecured and payable in full within one (1) year	7.50%	125,444,000	217,027,000
Short-term loan for working fund requirement of Lucima	Unsecured and payable in full within one (1) year	7.50%	87,000,000	—
Short-term loans for construction of Cebu Exchange	Unsecured and payable in full within one (1) year	7.60% to 8.0%	—	1,381,000,000
<i>Construction and development of projects:</i>				
Project Development and Land Acquisitions	Payable on a quarterly basis starting 2028 to 2030; secured by 51 office and commercial units and 336 parking slots of ACPT with carrying amount of ₱8,052.7 million (see Note 10), and a debt service reserve account amounting to ₱25.9 million as at December 31, 2025	7.13%	1,488,809,680	—
Construction of Sondris	Payable on a quarterly basis starting 3rd quarter of 2028 until July 2030; secured by land with carrying amount of ₱178.9 million (see Note 9) and a deposit hold out account amounting to ₱20.3 million as at December 31, 2025	7.31% to 7.77%	1,113,111,353	—
Development of Green Projects	Payable on a quarterly basis starting 2028 to 2030; secured by real estate mortgage over 38 office units and parking spaces of Cebu Exchange Tower Properties with carrying amount of ₱2,019.1 million (see Note 10) and a debt service reserve account amounting to ₱19.3 million as at December 31, 2025	7.47%	983,725,394	—
Construction of Eluria	Payable on a quarterly basis starting 2025 until 2027; secured by Eluria property with carrying amount of ₱780.4 million as at December 31, 2025 and 2024 (see Note 9), and an escrow account amounting to ₱22.8 million and ₱21.9 million as at December 31, 2025 and 2024, respectively.	6.37% to 9.10%	₱811,212,939	₱925,834,235
Construction of Lucima	Payable on a quarterly basis starting 2024 until 2026; secured by Lucima Residences property with carrying amount of ₱794.5 million as at December 31, 2025 and 2024 (see Note 9), and an escrow account amounting to ₱30.1 million and ₱28.9 million as at December 31, 2025 and 2024, respectively.	6.17% to 8.78%	627,507,212	892,255,959
Construction of Sevina Park	Payable on a quarterly basis starting November 2023 until August 2026; secured by raw land with carrying amount of ₱658.8 million as at December 31, 2025 and 2024 (see Note 9), land attributable to courtyard hall with carrying amount of ₱393.5 million and ₱198.3 million, and an escrow account amounting to ₱28.9 million and ₱18.9 million as at December 31, 2025 and 2024, respectively.	6.25% to 8.49%	262,309,470	677,411,436
Development of Green Projects	Unsecured and payable in full on February 6, 2025	6.35%	—	998,665,566
Construction of ACPT	Payable on a quarterly basis starting 4th quarter of 2020 until July 2025; secured by ACPT office units with carrying amount of ₱7,200.4 million as at December 31, 2024 (see Note 10) and an escrow account amounting to ₱208.9 million as at December 31, 2024. The loan was fully settled in 2025.	5.50%	—	598,427,817
Construction of Sevina Park	Payable from 2025 to 2027; secured by receivables and contract assets from buyers of units in Sevina Park Villas and Una Apartment T1	6.75% to 8.25%	2,006,594,173	620,177,668

(Forward)

Purpose	Terms and Security	Effective interest rate (p.a.)	2025	2024
Construction of Eluria	Payable in full in 2026 and 2027; secured by receivables and contract assets from buyers of units in Eluria	7.25% to 8%	1,202,666,255	346,434,529
Construction of Lucima	Payable in full in 2026; secured by receivables and contract assets from buyer of units and parking slots in Lucima	7.16% to 7.75%	629,842,825	581,830,291
Construction of Savya Financial Center	Payable in full in 2025 and 2026; secured by receivables and contract assets from buyer of units and parking slots in Savya Financial Center	6.50% to 6.75%	168,879,288	670,793,963
<i>Long-term loans -</i>				
Long-term loans for working fund requirements of Arthaland	Unsecured and payable in full in 2026 and 2027	8.09% to 8.63%	2,215,500,000	—
Long-term loans for working fund requirements of CLLC	Unsecured and payable in full in 2026 and 2027	8.50% to 8.63%	1,224,800,000	—
Long term loans in working fund requirements of Arthaland	Payable from 2025 to 2028; secured by an unregistered real estate mortgage over commercial units and parking spaces of Arya Residences	7.53% to 8.12%	669,152,483	997,234,025
Long-term loans for refinancing of existing debt and other general corporate purposes of CLLC	Payable from 2026 to 2028; secured by a real estate mortgage over 12 office units and parking slots of Cebu Exchange with carrying amount of ₱1,457.6 million as at December 31, 2025	7.60% to 8.00%	610,000,000	—
Long term loans in working fund requirements of Arthaland	Unsecured revolving credit line and payable in full upon maturity	7.50%	350,000,000	350,000,000
			₱18,646,599,606	₱12,422,800,781

Development of Green Projects

In 2020, the Group entered into a ₱1,000.0 million term loan agreement with a local bank to finance eligible green projects, including land banking, investments, and refinancing activities related to such projects. The full amount of the loan was drawn in 2020. Under the terms of the agreement, the Group is required to submit disbursement reports to the lending bank to confirm that the loan proceeds have been utilized for eligible green projects. The loan was fully settled in February 2025.

In 2025, the Group entered into a sustainability-linked loan agreement of ₱1,000.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes.

The loan is secured by a real estate mortgage over the Cebu Exchange Tower properties of CLLC and by a debt service reserve account (DSRA). The DSRA is required to be maintained at an amount at least equal to the principal amortization and interest due on the immediately succeeding payment date.

The Group is required to maintain a debt-to-equity ratio of not more than 2.0x and current ratio of not less than 1.5x on a consolidated basis.

The Group is compliant with the requirements of the loan as at December 31, 2025 and 2024. The debt-to-equity ratio and current ratio of the Group is 1.5x and 1.9x, and 1.4x and 1.6x as at December 31, 2025 and 2024, respectively.

Construction of Sondris

In 2025, ZLDC entered into a ₱2,414.0 million term loan agreement with a local bank to finance the acquisition of 48 Condominium Certificate of Title (CCTs) and to partially fund the construction of Sondris.

As at December 31, 2025, ZLDC had drawn ₱1,122.6 million from the facility.

Under the loan agreement, ZLDC is required to maintain a maximum debt-to-equity ratio of 2.0x and a minimum current ratio of 1.5x. As at December 31, 2025, the Company's debt-to-equity ratio is 0.9x and its current ratio is 186.3x. Accordingly, ZLDC is compliant with the financial covenants as at December 31, 2025.

Construction of Eluria

In 2022, Bhavya entered into a term loan facility with a local bank to partially finance the construction of Eluria. Loan proceeds are available in multiple tranches from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavya.

Moreover, Bhavya is required to maintain debt-to-equity ratio of not more than 2.0x, current ratio of not less than 1.5x and project debt-to-equity ratio not exceeding 0.5x. The debt-to-equity ratio, current ratio and project debt-to-equity ratio of Bhavya is 1.9x, 1.5x, and 0.2x, and 2.0x, 2.0x, and 0.5x, as at December 31, 2025 and 2024, respectively, which are compliant with the required financial covenants.

Construction of Lucima

In 2021, Bhavana entered into a term loan facility of ₱930.0 million with a local bank to partially finance the construction of Lucima. Loan proceeds are available in multiple tranches for a period of three (3) years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavana located in Cebu City.

Moreover, Bhavana is required to maintain debt-to-equity ratio of not more than 2.0x, current ratio of not less than 1.5x and project debt to equity ratio not exceeding 0.5x. The debt-to-equity ratio, current ratio and project debt-to-equity ratio of Bhavana is 1.7x, 1.5x, and 0.2x, and 1.9x, 1.8x, and 0.3x, as at December 31, 2025 and 2024, respectively, which are compliant with the required financial covenants.

Construction of Sevina Park

In 2021, Cazneau entered into a long-term loan facility of ₱1.0 billion with a local bank to partially finance the construction of Sevina Park. Loan proceeds are available in multiple tranches for a period of three (3) years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage over two parcels of land of Cazneau and grant of security interest over shares of ALCO.

Moreover, the loan facility requires Cazneau to maintain current ratio of not less than 1.5x and debt-to-equity ratio of not more than 2.0x. The debt-to-equity ratio and current ratio of Cazneau is 1.8x and 1.7x, and 1.1x and 1.6x as at December 31, 2025 and 2024, respectively, which are compliant with the required financial covenants.

Construction of ACPT

In 2015, the Group entered into an Omnibus Loan and Security Agreement (OLSA) for a credit line of ₱2,000.0 million, to partially finance the cost of construction and development of the ACPT. The outstanding loan balance is secured by the ACPT office units and a security trust agreement covering the maintenance of revenue and operating accounts, project receivables and project agreements. The loan was fully settled in July 2025.

Project Development and Land Acquisitions

In 2025, the Company entered into a sustainability-linked loan agreement of ₱1,500.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes.

The outstanding balance of the loan is secured by ACPT units and an unregistered real estate mortgage over ACPT parking slots and by DSRA. The DSRA is required to be maintained at an amount at least equal to the principal amortization and interest due on the immediately succeeding payment date.

The Group is required to maintain a current ratio of at least 1.5x and a debt-to-equity ratio of not more than 2.0x based on the consolidated financial statements. For the years ended December 31, 2025, 2024 and 2023, the Group is fully compliant with these debt covenants.

Long-term loans of CLLC

In 2025, CLLC entered into a term loan facility of ₱610.0 million with a local bank to refinance existing debt, and for other general corporate purposes. The outstanding loan balance is secured by real estate mortgage over 12 condominium units and parking slots within Cebu Exchange Tower. Moreover, CLLC is required to maintain debt to equity ratio of not more than 2.0x. As at December 31, 2025, the debt-to-equity ratio of CLLC is 0.4x. Accordingly, CLLC is compliant with the financial covenant.

Private Funders

Outstanding balances of the loans from private funders amounting to ₱53.2 million as at December 31, 2025 and 2024 have interest rates of 5.80% p.a. in 2025 and 5.40% p.a. in 2024, and are unsecured and are for working capital requirements of the Group.

Interest Expense

Total interest expense charged under “Finance costs” consists of the following (see Note 19):

	Note	2025	2024	2023
Interest expense on:				
Loans payable and advances from non-controlling interests		₱1,258,557,691	₱1,036,475,568	₱550,390,848
Bonds payable	15	279,327,339	443,762,626	465,794,610
Lease liabilities	13	4,332,272	1,740,739	—
		₱1,542,217,302	₱1,481,978,933	₱1,016,185,458

Interest expense on loans payable and bonds payable includes amortization of debt issuance costs.

15. Bonds Payable

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
Bonds payable	₱3,000,000,000	₱6,000,000,000
Unamortized debt issue cost	(34,245,835)	(44,467,581)
	2,965,754,165	5,955,532,419
Less current portion of bonds payable	—	3,000,000,000
	₱2,965,754,165	₱2,955,532,419

Movement in debt issue cost in 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	₱44,467,581	₱58,477,587
Amortization	(10,221,746)	(14,010,006)
Balance at end of year	₱34,245,835	₱44,467,581

In October 2019, ALCO's BOD approved the filing of a registration statement for the shelf registration of ₱6.0 billion fixed rate ASEAN Green Bonds (the "Bonds") and the initial tranche of ₱2.0 billion bonds, with an oversubscription option of up to ₱1.0 billion.

In January 2020, the SEC approved the registration of the Bonds and the issuance of its initial tranche. On February 6, 2020, ALCO issued the initial tranche amounting to ₱2.0 billion with an oversubscription of ₱1.0 billion. It has a term ending five (5) years from the issue date or on February 6, 2025, with a fixed interest rate of 6.35% p.a. and an early redemption option on the 3rd and 4th year from issue date. The proceeds of the initial tranche is for the development of eligible green projects and payment of certain outstanding loans of the Group. This was fully redeemed in February 2025.

In October 2022, the BOD approved the second tranche of up to ₱3.0 billion. The SEC approved the offer supplement in December 2022 for ₱2.4 billion with an oversubscription of up to ₱0.6 billion. These bonds have a five-year term with a fixed interest rate of 8.00% p.a. and an early redemption option in the 3rd and 4th years, and a seven-year term with a fixed interest rate of 8.75% p.a. and an early redemption option in the 5th and 6th years. Proceeds will fund eligible green projects and repay certain outstanding loans.

The Group is required to maintain debt to equity ratio of not more than 2.0x and current ratio of at least 1.5x based on its consolidated financial statements. As at December 31, 2025 and 2024, the Group is compliant with these financial ratios.

Interest expense incurred on the Bonds amounted to ₱279.3 million, ₱443.8 million and ₱465.8 million in 2025, 2024 and 2023, respectively (see Note 14).

16. Equity

The details of the Parent Company's number of common and preferred shares as at December 31, 2025, 2024 and 2023 are as follows:

	2025 and 2024		2023	
	Preferred	Common	Preferred	Common
Authorized	80,000,000	16,368,095,199	50,000,000	16,368,095,199
Par value per share	₱1.00	₱0.18	₱1.00	₱0.18
Issued	47,464,860	5,318,095,199	48,500,000	5,318,095,199
Outstanding	37,464,860	5,318,095,199	28,500,000	5,318,095,199

Common Shares

As at December 31, 2025 and 2024, the Parent Company has issued and outstanding common shares of 5,318,095,199 at ₱0.18 par value equivalent to ₱957.3 million.

Preferred Shares

The Group's preferred shares Series A, Series C, Series D, Series E and Series F are cumulative, nonvoting, nonparticipating and nonconvertible. The movements and details of the issued and outstanding preferred shares are as follows:

	2025		2024		2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of year	47,464,860	₱47,464,860	48,500,000	₱48,500,000	48,500,000	₱48,500,000
Issuance	—	—	18,964,860	18,964,860	—	—
Retirement	—	—	(20,000,000)	(20,000,000)	—	—
Balance at end of year	47,464,860	47,464,860	47,464,860	47,464,860	48,500,000	48,500,000
Treasury shares	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(20,000,000)	(20,000,000)
Parent Company's shares held by a subsidiary	(26,500,000)	(26,500,000)	(26,500,000)	(26,500,000)	(12,500,000)	(12,500,000)
Outstanding	10,964,860	₱10,964,860	10,964,860	₱10,964,860	16,000,000	₱16,000,000

In June 2019, the Group made a follow-on offering of 10.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series C with ₱1 par value a share at the issuance price of ₱100 a share. Excess of the proceeds over the total par value amounting to ₱990.0 million and transactions costs of ₱12.5 million were recognized as addition and reduction to additional paid-in capital, respectively.

On December 3, 2021, the Group made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series D with ₱1 par value per share at the issuance price of ₱500 per share. Excess of the proceeds over the total par value amounting to ₱2,994.0 million and transaction costs of ₱29.6 million were recognized as addition and reduction to additional paid-in capital, respectively.

In December 2023, the BOD of the Parent Company approved the amendment of the Articles of Incorporation (AOI) to increase its authorized capital stock by ₱50.0 million preferred shares. This was approved by the stockholders during a Special Stockholders' Meeting on January 31, 2024.

In November 2024, ALCO made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series F with ₱1 par value a share at the issuance price of ₱500 a share. As at December 31, 2024, the issued and outstanding Preferred Shares Series F are 5.0 million for ₱2,482.4 million. Excess of the proceeds over the total par value amounting to ₱2,477.5 million and transactions costs of ₱30.1 million were recognized as addition and reduction to additional paid-in capital, respectively.

On January 22, 2025, the BOD approved the proposal to amend Article Seventh of the AOI of ALCO by decreasing its authorized capital stock by ₱10.0 million preferred shares. The foregoing decrease in the authorized capital stock corresponds to the redemption of Series C Preferred Shares on June 27, 2024. On March 18, 2026, the Group obtained the approval from SEC to amend its AOI to decrease its authorized capital stock.

Additional Paid-in Capital

As at December 31, 2025, 2024 and 2023, the Group's additional paid-in capital amounted to ₱6,464.3 million, ₱6,464.3 million, and ₱5,973.4 million, respectively.

Parent Company's Preferred Shares Held by Subsidiary

In 2016, ALCO issued 12.5 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series A with ₱1 par value a share to MPI. On August 14, 2024, the Parent Company issued to MPI 14.0 million Preferred Shares Series E with a selling price of ₱1 per share for ₱14.0 million.

Treasury Shares

Movements in the Group's treasury shares are as follows:

	2025		2024		2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of year	10,000,000	₱1,000,000,000	20,000,000	₱2,000,000,000	20,000,000	₱2,000,000,000
Retirement of Series B Preferred Shares	—	—	20,000,000	(2,000,000,000)	—	—
Redemption of Series C Preferred Shares	—	—	10,000,000	1,000,000,000	—	—
Balance at end of year	10,000,000	₱1,000,000,000	10,000,000	₱1,000,000,000	20,000,000	₱2,000,000,000

On December 6, 2021, the Group redeemed all of the outstanding 20.0 million Series B Preferred Shares equal to its offer price plus any accrued and unpaid cash dividends due as of date. Treasury shares pertaining to the redemption of 20.0 million Series B Preferred shares were recognized at cost amounting to ₱2,000.0 million.

In May 2024, the redemption of Preferred Shares Series C of the Group was approved. The Group redeemed the 10.0 million preferred shares at a redemption price of ₱100 per share for ₱1,000.0 million, plus accrued and any unpaid cash dividends due on redemption date June 27, 2024.

On August 14, 2024, the Group obtained the approval from SEC to amend its AOI to increase its authorized capital stock by ₱50.0 million. Following the approval, the Group cancelled the 20.0 million Preferred Shares Series B with a selling price of ₱100 per share for ₱2,000.0 million. Accordingly, the cancellation of preferred shares series B resulted in the decrease of additional paid-in capital amounting to ₱1,956.4 million

Common and Preferred Shares Listed with PSE

The details and movements of the common and preferred shares listed with PSE follows:

Date of SEC Approval	Type of Issuance	No. of Shares Issued (Redeemed)	Issue/Offer Price
1996	Initial public offering of common shares	351,000,000	₱1.00
1998	Issuance of common shares	256,203,748	1.00
1999	Common stock dividends	410,891,451	1.00
2009	Issuance of common shares	628,770,000	0.20
2010	Issuance of common shares	100,000,000	0.20
2011	Issuance of common shares	2,200,000,000	0.20
2016	Public offering of Series "B" preferred shares	20,000,000	100
2019	Public offering of Series "C" preferred shares	10,000,000	100
2021	Public offering of Series "D" preferred shares	6,000,000	500
2021	Redemption of Series "B" preferred shares	(20,000,000)	100
2024	Redemption of Series "C" preferred shares	(10,000,000)	100
2024	Public offering of Series "F" preferred shares	4,964,860	500

The Parent Company has 1,903 and 1,908 stockholders as at December 31, 2025 and 2024, respectively.

Dividend Declaration

The Parent Company's BOD and stockholders approved the following cash dividends to preferred and common stockholders:

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 22, 2025	February 7, 2025	March 3, 2025	Series D preferred shares	₱45,000,000	₱7.5000
March 26, 2025	April 15, 2025	May 14, 2025	Series F preferred shares	45,465,705	9.1575
May 7, 2025	May 22, 2025	June 3, 2025	Series D preferred shares	45,000,000	7.5000
June 27, 2025	July 15, 2025	August 8, 2025	Common shares	63,817,145	0.0120
June 27, 2025	July 21, 2025	August 14, 2025	Series F preferred shares	45,465,705	9.1575
August 6, 2025	August 20, 2025	September 3, 2025	Series D preferred shares	45,000,000	7.5000
August 6, 2025	October 21, 2025	November 14, 2025	Series F preferred shares	45,465,705	9.1575
October 29, 2025	November 13, 2025	December 3, 2025	Series D preferred shares	45,000,000	7.5000
				₱380,214,260	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 31, 2024	March 1, 2024	March 27, 2024	Series C preferred shares	₱17,319,000	₱1.7319
January 31, 2024	February 8, 2024	March 3, 2024	Series D preferred shares	45,000,000	7.5000
May 8, 2024	June 3, 2024	June 27, 2024	Series C preferred shares	17,319,000	1.7319
May 8, 2024	May 23, 2024	June 3, 2024	Series D preferred shares	45,000,000	7.5000
June 28, 2024	July 19, 2024	August 9, 2024	Common Shares	63,817,142	0.0120
August 6, 2024	August 23, 2024	September 3, 2024	Series D preferred shares	45,000,000	7.5000
November 5, 2024	November 19, 2024	December 3, 2024	Series D preferred shares	45,000,000	7.5000
December 11, 2024	January 21, 2025	February 14, 2025	Series F preferred shares	45,465,705	9.1575
				₱323,920,847	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
October 25, 2023	November 29, 2023	December 27, 2023	Series C preferred shares	₱17,319,000	₱1.7319
October 25, 2023	November 13, 2023	December 4, 2023	Series D preferred shares	45,000,000	7.5000
August 2, 2023	September 4, 2023	September 28, 2023	Series C preferred shares	17,319,000	1.7319
August 2, 2023	August 16, 2023	September 4, 2023	Series D preferred shares	45,000,000	7.5000
June 30, 2023	July 17, 2023	August 10, 2023	Common Shares	63,817,142	0.0120
May 3, 2023	June 1, 2023	June 27, 2023	Series C preferred shares	17,319,000	1.7319
May 3, 2023	May 17, 2023	June 5, 2023	Series D preferred shares	45,000,000	7.5000
January 25, 2023	March 1, 2023	March 27, 2023	Series C preferred shares	17,319,000	1.7319
January 25, 2023	February 8, 2023	March 3, 2023	Series D preferred shares	45,000,000	7.5000
				₱313,093,142	

Other Equity Reserves

This account consists of:

	Note	2025	2024	2023
Effect of changes in the Parent Company's ownership interest in subsidiaries		₱169,002,018	₱169,002,018	₱169,002,018
Cumulative remeasurement gains on net retirement asset or liability - net of tax	21	37,152,564	32,819,118	40,402,986
Stock options		7,161,827	7,161,827	7,161,827
		₱213,316,409	₱208,982,963	₱216,566,831

Movements of this account are as follows:

	Note	2025	2024	2023
Balance at beginning of year		₱208,982,963	₱216,566,831	₱221,696,435
Remeasurement gain (loss) on net retirement liability	21	4,333,446	(7,583,868)	(5,129,604)
Balance at end of year		₱213,316,409	₱208,982,963	₱216,566,831

Stock Options

In ALCO's annual meeting on 16 October 2009, stockholders approved the 2009 ALCO Stock Option Plan, allowing the issuance of up to 10% of ALCO's total outstanding capital stock equivalent to 531,809,519 shares. The plan was administered by the Stock Option and Compensation Committee, composed of three directors, one of whom is independent. Eligible participants include Board members (excluding independent directors), the President and CEO, corporate officers, managerial employees, and executive officers of subsidiaries or affiliates. The Committee has the authority to determine grant recipients, exercise prices (not below par value), grant timing, and share allocation based on performance evaluations.

The option period spans three years, with vesting as follows: up to 33.33% within the first 12 months, up to 33.33% from the 13th to the 24th month, and up to 33.33% from the 25th to the 36th month. On the exercise date, the full purchase price must be paid, or as decided by the Committee. In 2010, 164.8 million options were granted, but none were exercised until the expiration of the option period in October 2012.

On 14 December 2018, the Board approved granting up to 90 million options at ₱0.85 per share based on performance evaluation of the grantees. On 25 March 2020, the option price was reduced to ₱0.50 per share.

As at December 31, 2025 and 2024, none of the qualified employees have exercised their options.

Use of Proceeds

Green Bonds - First Tranche

On February 21, 2024, the BOD approved the reallocation of the use of proceeds of the Bonds effective March 22, 2024, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Savya Financial Center or other Eligible Green		
Projects	₱1,500.0	₱1,351.0
Manila Long-Term Project	1,140.0	1,289.0
Arthaland Century Pacific Tower	309.0	309.0
Total	₱2,949.0	₱2,949.0

This was fully redeemed in February 2025.

Green Bonds - Tranche 2

The gross proceeds from the offer of the second tranche of the bonds amounted to ₱3,000.0 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

On August 6, 2025, the BOD approved the reallocation of the use of proceeds of the bonds effective September 5, 2025, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	760.0	930.3
ACPT Loan and Others	225.0	225.0
Project Olive	370.3	—
Project Teal	—	200.0
Total	₱2,949.0	₱2,949.0

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱—
Project Vanilla	1,120.0	930.3	930.3	—
Project Olive	1,378.0	—	—	—
Project Teal	—	200.0	50.0	150.0
ACPT Loan and Others	276.0	225.0	225.0	—
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the bonds effective March 20, 2026, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	930.3	1,080.3
ACPT Loan and Others	225.0	225.0
Project Teal	200.0	50.0
Total	₱2,949.0	₱2,949.0

Series F Preferred Shares

The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,451.5 million.

On March 26, 2025, the BOD approved the reallocation of the use of proceeds of the Preferred Shares Series F effective April 25, 2025, as follows (amounts in millions):

Purpose	Actual Net Proceeds	Proposed Reallocation
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0
Project Teal	1,140.0	821.5
ACPT Loan and Others	311.5	200.0
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	—	200.0
Investment into Bhavya to Fund Project Eluria	—	30.0
General Corporate Purposes	—	200.0
Total	₱2,451.5	₱2,451.5

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱—
Project Teal	1,140.0	821.5	821.5	—
ACPT Loan and Others	342.4	200.0	200.0	—
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	—	200.0	200.0	—
Investment into Bhavya to Fund Project Eluria	—	30.0	30.0	—
General Corporate Purposes	—	200.0	200.0	—
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱—

17. Revenues

The Group's revenues are as follows:

	Note	2025	2024	2023
Real estate sales of:				
Eluria		₱1,323,042,122	₱768,682,118	₱565,910,408
Una Apartments		1,295,422,543	991,183,786	–
Lucima Residences		755,761,469	1,498,794,548	1,512,300,615
Sevina Park		416,213,892	935,588,864	794,498,165
Cebu Exchange		368,612,149	1,378,903,418	986,256,059
Savya Financial Center		151,166,916	185,019,836	2,392,608,813
		4,310,219,091	5,758,172,570	6,251,574,060
Leasing revenue	22	705,069,656	414,901,457	366,299,089
Interest on real estate sales		89,820,951	15,307,178	–
Property management fees		38,437,831	35,642,933	21,050,433
		₱5,143,547,529	₱6,224,024,138	₱6,638,923,582

Revenue from real estate sales recognized over time amounted to ₱4,310.2 million in 2025, ₱5,230.0 million in 2024, and ₱6,164.8 million in 2023. Revenue from real estate sales recognized at a point in time consisting of lots sold amounted to nil in 2025, ₱528.3 million in 2024, and ₱474.1 million in 2023.

Leasing revenue pertains to rent income and CUSA earned from various lease contracts of the Parent Company in ACPT, commercial units and parking slots of MPI in Arya Residences, office units and parking slots of SLDC in Savya Financial Center, commercial and office units and parking slots of CLLC in Cebu Exchange Tower, and Cazneau in Courtyard Hall.

Property management fees pertain to services rendered by APPS in the management and maintenance of all common areas of Arya Residences, ACPT, Cebu Exchange and Savya Financial Center. The service contract with Arya Residences Condominium Corporation had an initial term of seven (7) years from December 1, 2014 and the engagement was renewed for another five (5) years commencing on December 1, 2021. The terms of the service contracts with Arthaland Century Pacific Tower Condominium Corporation is seven (7) years from August 1, 2018, Cebu Exchange Condominium Corporation is five (5) years and Savya Financial Center Condominium Corporation is six (6) years both from September 1, 2023.

18. Operating Expenses

Operating expenses are classified as follows:

	2025	2024	2023
Administrative	₱1,107,396,670	₱1,009,172,950	₱821,439,823
Selling and marketing	598,717,584	454,809,392	529,115,673
	₱1,706,114,254	₱1,463,982,342	₱1,350,555,496

Details of operating expenses by nature are as follows:

	Note	2025	2024	2023
Personnel costs		₱401,507,366	₱374,808,551	₱276,523,524
Advertising		375,008,406	290,859,744	265,716,476
Commissions		223,709,178	163,949,648	263,399,197
Taxes and licenses		192,197,879	167,105,785	174,634,585
Communication and office expenses		154,092,993	174,649,594	111,166,961
Transportation and travel		75,582,934	71,788,384	60,516,180
Depreciation and amortization	11	70,607,775	68,537,131	62,614,519
Management and professional fees		58,352,288	63,407,400	42,641,046
Repairs and maintenance		37,897,554	16,014,250	10,565,940
Insurance		23,284,299	17,156,812	24,912,851
Representation		15,339,628	2,448,591	1,280,730
Rent	22	11,142,286	6,502,154	6,133,894
Utilities		7,855,294	7,861,747	36,331,964
Others		59,536,374	38,892,551	14,117,629
		₱1,706,114,254	₱1,463,982,342	₱1,350,555,496

Personnel costs consist of:

	Note	2025	2024	2023
Salaries and other employee benefits		₱369,202,434	₱348,542,987	₱258,855,447
Retirement expense	21	32,304,932	26,265,564	17,668,077
		₱401,507,366	₱374,808,551	₱276,523,524

19. Finance Costs

This account consists of:

	Note	2025	2024	2023
Interest expense	14	₱1,542,217,302	₱1,481,978,933	₱1,016,185,458
Bank charges		32,666,076	4,949,882	4,164,974
		₱1,574,883,378	₱1,486,928,815	₱1,020,350,432

20. Other Income (Charges)

This account consists of:

	Note	2025	2024	2023
Gain on assignment of advances	4	₱204,831,916	₱—	₱—
Realized gain on disposals of financial assets at FVPL	6	83,029,771	84,031,978	73,157,830
Interest income	5	75,783,289	249,156,724	293,392,563
Gain on repossession	9	14,377,954	68,237,042	96,979,144
Unrealized holding gains on financial assets at FVPL	6	2,321,476	12,176,374	858,794
Unrealized foreign exchange gain (loss)		(833,278)	2,446,735	4,437,686
Gain (loss) on disposal of property and equipment	11	—	4,457,347	(857,717)
Gain (loss) on sale of investment properties	10	—	(1,175,558)	1,198,576
Others		18,412,851	6,553,736	52,086,597
		₱397,923,979	₱425,884,378	₱521,253,473

Others pertain to forfeited collections, penalties for late rental payments, gain on sale of property, and commissions. In 2024, others include write-off of receivables from CPG amounting to ₱36.1 million (see Note 24).

21. Retirement Plan

The Group has a funded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The normal retirement age is 60 with a minimum of five (5) years of credited service. The plan also provides for an early retirement at age 50 with minimum of five (5) years of credited service or late retirement after age 60, both subject to the approval of the Group's BOD.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

There are no unusual or significant risks to which the retirement liability exposes the Group. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Parent Company.

The following tables summarize the components of retirement benefit costs recognized in the consolidated statements of comprehensive income for the year ended December 31, 2025 (based on the report of an independent actuary dated January 9, 2026).

Details of retirement expense are as follows (see Note 18):

	2025	2024	2023
Current service cost	₱30,519,356	₱26,490,326	₱19,830,224
Net interest cost	1,785,576	(224,762)	(2,162,147)
	₱32,304,932	₱26,265,564	₱17,668,077

The movements of net retirement liability recognized in the consolidated statements of financial position are as follows:

	2025	2024
Balance at beginning of year	₱27,371,514	(₱9,005,874)
Current service cost	30,519,356	26,490,326
Net interest cost	1,785,576	(224,762)
Remeasurement losses (gains) on:		
Change in financial assumptions	(6,970,124)	(1,697,558)
Return on plan assets	1,846,302	2,413,192
Experience adjustments	(654,106)	10,310,519
Effect of asset ceiling	–	(914,329)
Balance at end of year	₱53,898,518	₱27,371,514

The funded status and amounts recognized in the consolidated statements of financial position for the net retirement liability as at December 31, 2025 and 2024 are as follows:

	2025	2024
Present value of retirement liability	₱196,708,188	₱166,487,412
Fair value of plan assets	(142,809,670)	(139,115,898)
	₱53,898,518	₱27,371,514

While there are no minimum funding requirements in the country, any size of underfunding may pose a cash flow risk in about ten years' time when a significant number of employees is expected to retire.

As at December 31, 2025, based on the latest actuarial valuation prepared in accordance with PAS 19, the present value of the defined benefit obligation exceeded the fair value of plan assets, resulting in a net defined benefit liability of ₱53.9 million.

Changes in the present value of the retirement liability are as follows:

	2025	2024
Balance at beginning of year	₱166,487,412	₱133,813,065
Current service cost	30,519,356	26,490,326
Interest cost	10,291,300	8,150,760
Benefits paid from plan assets	(2,965,650)	(10,579,700)
Remeasurement losses (gains) on:		
Change in financial assumptions	(6,970,124)	(1,697,558)
Experience adjustments	(654,106)	10,310,519
Balance at end of year	₱196,708,188	₱166,487,412

Changes in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	₱139,115,898	₱143,680,782
Interest income	8,505,724	8,428,008
Benefits paid from plan assets	(2,965,650)	(10,579,700)
Remeasurement loss on return on plan assets	(1,846,302)	(2,413,192)
Balance at end of year	₱142,809,670	₱139,115,898

Plan assets are primarily composed of cash and cash equivalents, as well as unit investment trust accounts and do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in operations.

The distribution of the plan assets as at December 31, 2025 and 2024 follows:

	2025	2024
Cash and cash equivalents	65%	63%
Unit investments trust funds	35%	35%
Others	0%	2%
	100%	100%

The cumulative remeasurement gains on net retirement liability recognized in OCI as at December 31 are as follows:

	2025		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱43,873,880	₱11,054,762	₱32,819,118
Remeasurement gain	5,777,928	1,444,482	4,333,446
Balance at end of year	₱49,651,808	₱12,499,244	₱37,152,564

	2024		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱53,985,704	₱13,582,718	₱40,402,986
Remeasurement loss	(10,111,824)	(2,527,956)	(7,583,868)
Balance at end of year	₱43,873,880	₱11,054,762	₱32,819,118

The principal assumptions used for the purpose of the actuarial valuation are as follows:

	2025	2024
Discount rate	6.5% to 6.6%	6.2% to 6.2%
Salary projection rate	6.0%	6.0%
Average remaining service years	22.6 to 30.1	22.1 to 31.3

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31, 2025 and 2024 are presented below.

	Change in Assumption	Effect on Present Value of Retirement Liability	
		Discount Rate	Salary Projection Rate
December 31, 2025	+1%	(P19,081,955)	P22,790,255
	-1%	22,905,682	(19,331,913)
December 31, 2024	+1%	(17,105,219)	20,392,041
	-1%	20,564,159	(17,280,969)

There are no unusual or significant risks to which the benefit plan exposes the Group.

The expected future benefit payments within the next ten years are as follows:

Financial Year	Amount
2026	P47,603,112
2027	4,989,734
2028	5,834,373
2029	30,461,438
2030	7,927,019
2031-2035	92,967,570

The weighted average duration of the retirement benefit obligation as at December 31, 2025 and 2024 are 10.0 years to 23.8 years and 10.6 years to 24.7 years, respectively.

22. Commitments

Operating Lease Commitments - Group as Lessor

The Parent Company entered into various lease agreements in ACPT for periods ranging from one (1) year to 10 years. Majority of lease agreements include an escalation clause of 5% every year. The lease contracts do not provide for any contingent rent.

MPI has various lease agreements for its retail units and parking slots in Arya Residences. The term of the lease ranges from two (2) to five (5) years. The lease agreements also provide for various escalation rates for the duration of the agreements.

Cazneau has entered into lease agreements for its dormitory units in Courtyard Hall. The term is renewable every trimester.

In 2025, SLDC and CLLC entered into lease agreements for the lease of its office and retail units and parking slots in Savva Financial Center and Cebu Exchange Tower, respectively, with lease terms ranging from five (5) to 10 years.

Leasing revenue recognized from these operating leases amounted to ₱705.1 million in 2025, ₱414.9 million in 2024, and ₱366.3 million in 2023 (see Note 17). Lease receivables amounted to ₱100.6 million and ₱163.1 million as at December 31, 2025 and 2024, respectively (see Note 7). Accrued rent receivable amounted to ₱65.4 million and ₱18.0 million as at December 31, 2025 and 2024, respectively (included under "Other receivables" as part of "Receivables" in Note 7). Advance rent from tenants amounted to ₱72.5 million, and ₱58.5 million as at December 31, 2025 and 2024, respectively (see Note 13). Security deposits, which may be applied to unsettled balances or refunded at the end of the lease term, amounted to ₱147.5 million and ₱125.3 million as at December 31, 2025 and 2024, respectively (see Note 13).

The future minimum lease payments to be received under non-cancellable operating leases as at December 31 are as follows:

	2025	2024
Within one (1) year	₱65,013,601	₱248,245,631
After one (1) year but not more than five (5) years	249,486,204	500,636,048
More than five (5) years	217,633,221	—
	₱532,133,026	₱748,881,679

Finance Lease Commitment - Group as Lessee

The Group is a lessee under a non-cancellable lease agreements for transportation equipment for a period of three (3) to five (5) years. The ROU assets and lease liabilities amounted to ₱49.7 million and ₱51.9 million, and ₱24.5 million and ₱25.2 million as at December 31, 2025 and 2024, respectively (see Notes 11 and 13).

Operating Lease Commitment - Group as Lessee

The Parent Company is a lessee under non-cancellable operating leases. For short-term and low value leases, rent expense recognized amounted to ₱11.1 million in 2025, ₱6.5 million in 2024, and ₱6.1 million in 2023 and (see Note 18).

Capital Commitments

The Group has remaining contractual obligations for the construction and development of real estate for sale amounting to ₱4,988.8 million and ₱4,132.3 million as of December 31, 2025 and 2024, respectively.

23. Income Taxes

The components of income tax expense are as follows:

	2025	2024	2023
Reported in Profit or Loss			
Current:			
MCIT	₱55,461,205	₱36,051,610	₱21,550,545
Final taxes	33,973,754	66,510,515	72,764,819
Gross income tax (GIT)	4,795,018	5,217,775	5,487,544
RCIT	—	14,358,362	180,158,033
	94,229,977	122,138,262	279,960,941
Deferred	373,416,300	223,147,429	169,705,162
	₱467,646,277	₱345,285,691	₱449,666,103

		2025	2024	2023
Reported in OCI				
Deferred tax related to				
remeasurement loss (gains) on				
net retirement liability (asset)	21	(P1,444,482)	P2,527,956	P1,709,868

Deferred Tax Assets

The components of the Group's recognized net deferred tax assets are as follows:

	2025
Deferred tax assets:	
NOLCO	P224,299,269
Excess MCIT over RCIT	3,335,219
Retirement liability	2,381,544
Excess of taxable over financial gross profit	11,267,634
Effect of PFRS 16	18,914
Unrealized foreign exchange loss	17,270
	241,319,850
Deferred tax liabilities:	
Excess of financial over taxable gross profit	71,787,151
Net deferred tax assets	P169,532,699

Deferred Tax Liabilities

The components of the Group's recognized net deferred liabilities are as follows:

	2025	2024
Deferred tax assets:		
NOLCO	P818,905,031	P925,188,957
Excess MCIT over RCIT	92,781,154	42,951,753
Retirement liability	36,373,479	34,170,154
Advance rent	16,214,143	12,583,583
Excess of commission expense over		
commissions paid	8,172,757	8,172,757
Allowance for impairment losses	4,437,348	4,437,348
Effect of PFRS 16	538,426	165,258
	977,422,338	1,027,669,810
Deferred tax liabilities -		
Cumulative gains on change in fair value of		
investment properties	2,840,005,564	2,354,812,179
Excess of financial over taxable gross profit	681,259,010	693,889,949
Depreciation of investment properties	81,052,872	62,377,834
Accrued rent receivable	17,861,403	15,382,839
Actuarial gain or loss	12,557,629	11,596,534
Transfer of fair value to property and equipment	9,659,545	9,884,186
Capitalized debt issue costs	7,461,936	7,634,465
Unrealized foreign exchange gain	1,655,732	1,789,696
	3,651,513,691	3,157,367,682
Net deferred tax liabilities	P2,674,091,353	P2,129,697,872

Management assessed that it is probable that sufficient future taxable income will be available against which the benefits of the deferred tax assets can be utilized.

As at December 31, 2025 and 2024, the Group did not recognize deferred tax assets relating to the following:

	2025	2024
NOLCO	₱83,215,129	₱43,023,853
Excess MCIT over RCIT	612,738	545,459
	₱83,827,867	₱43,569,312

Management has assessed that these may not be realized in the future.

NOLCO and Excess MCIT over RCIT

The details of the Group's NOLCO and excess MCIT over RCIT are as follows:

NOLCO

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Valid Until
2025	₱—	₱2,213,076,682	₱—	₱—	₱2,213,076,682	2028
2024	1,310,052,345	—	—	—	1,310,052,345	2027
2023	844,756,976	—	—	—	844,756,976	2026
2022	497,514,464	—	(17,766,744)	(479,747,720)	—	2025
2021	226,074,941	—	(189,871,601)	—	36,203,340	2026
2020	419,261,187	—	(406,534,201)	(12,726,986)	—	2025
	₱3,297,659,913	₱2,213,076,682	(₱614,172,546)	(₱492,474,706)	₱4,404,089,343	

Under Republic Act No. 11494, also known as “Bayanihan to Recover As One Act” and Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2020 and 2021 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

Excess MCIT over RCIT

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Valid Until
2025	₱—	₱55,460,920	₱—	₱—	₱55,460,920	2028
2024	37,224,199	—	—	—	37,224,199	2027
2023	7,031,690	—	—	—	7,031,690	2026
2022	3,983,074	—	—	(3,983,074)	—	2025
	₱48,238,963	₱55,460,920	₱—	(₱3,983,074)	₱99,716,809	

The reconciliation between the income tax based on statutory income tax rate and provision for income tax reported in the consolidated statements of comprehensive income is as follows:

	2025	2024	2023
Income tax computed at statutory tax rate	₱354,796,176	₱601,828,074	₱606,220,259
Add (deduct) tax effect of:			
Expired NOLCO	123,118,677	–	–
Income subject to GIT	(25,013,185)	(25,091,619)	(24,637,139)
Nondeductible expenses	8,842,819	22,462,092	20,043,636
Expired excess MCIT over RCIT	3,983,074	–	–
Interest income subjected to final tax	(3,728,024)	(12,471,930)	(14,963,627)
Taxable rent	(2,269,773)	15,114,169	10,262,838
Realized gain on disposals of financial assets at FVPL subjected to final tax	(1,469,520)	(4,314,047)	(4,107,194)
Unrealized holding loss (gains) on financial assets at FVPL	(886,070)	(3,341,995)	115,234
Dividend income from subsidiaries	–	(252,250,000)	(132,500,000)
Change in unrecognized deferred tax assets	10,272,103	3,350,947	(10,767,904)
Income tax computed at effective tax rate	₱467,646,277	₱345,285,691	₱449,666,103

PEZA Registration

ACPT is registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone Facilities Enterprise (see Note 1). The scope of its registered activity is limited to development, operation and maintenance of an economic zone.

Under the PEZA Registration Agreement, ACPT is entitled to:

- 5% GIT, in lieu of all national and local taxes; and
- Tax and duty-free importation of capital equipment required for the technical viability and operation of the registered facilities or activities.

Any income from activities of ACPT outside the PEZA-registered activities is subject to RCIT.

24. Related Party Transactions

Share Purchase Agreement

On December 11, 2024, the ALCO's BOD approved the amendment on the share purchase agreement where the Group shall no longer collect from CPG the amount of ₱36.1 million due to the considerable length of time the Complaint has been pending involving the property owned by UPHI, which includes, among others, removing all doubt on the ownership of UPHI over the property. The amendment resulted to the write-off of the receivable from CPG in 2024 (see Note 20).

Compensation of Key Management Personnel

The compensation of key management personnel are as follows:

	2025	2024	2023
Salaries and other employee benefits	₱145,175,707	₱154,490,888	₱127,231,751
Retirement expense	14,950,414	20,193,519	16,366,953
	₱160,126,121	₱174,684,407	₱143,598,704

25. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

2025							
	Financing Cash Flows			Noncash Transactions			Balances at End of the Year
	Balances at Beginning of Year	Availments	Payments	Additions/ Declaration	Amortization of Debt Issue Cost	Interest Expense	
Loans payable	₱12,476,024,751	₱19,343,558,116	(₱13,136,165,857)	₱—	₱16,406,566	₱—	₱18,699,823,576
Bonds payable	5,955,532,419	—	(3,000,000,000)	—	10,221,746	—	2,965,754,165
Advances from non-controlling interests	1,010,119,597	—	(167,600,000)	216,000,000	—	—	1,058,519,597
Dividends payable	51,132,727	—	(426,949,995)	380,214,260	—	—	4,396,992
Lease liabilities	25,187,149	—	(15,845,305)	38,246,000	—	4,332,272	51,920,116
Finance costs	369,938,025	—	(1,686,701,678)	—	(26,628,312)	1,537,885,030	194,493,065
	₱19,887,934,668	₱19,343,558,116	(₱18,433,262,835)	₱634,460,260	₱—	₱1,542,217,302	₱22,974,907,511

2024							
	Financing Cash Flows			Noncash Transactions			Balances at End of the Year
	Balances at Beginning of Year	Availments	Payments	Additions/ Declaration	Amortization of Debt Issue Cost	Interest Expense	
Loans payable	₱11,186,817,196	₱10,010,967,199	(₱8,739,021,960)	₱—	₱17,262,316	₱—	₱12,476,024,751
Bonds payable	5,941,522,413	—	—	—	14,010,006	—	5,955,532,419
Advances from non-controlling interests	1,102,119,597	—	(92,000,000)	—	—	—	1,010,119,597
Dividends payable	5,686,177	—	(474,474,297)	519,920,847	—	—	51,132,727
Lease liabilities	—	—	(5,568,750)	29,015,160	—	1,740,739	25,187,149
Finance costs	280,805,743	—	(1,359,833,592)	—	(31,272,322)	1,480,238,194	369,938,023
	₱18,516,951,126	₱10,010,967,199	(₱10,670,898,599)	₱548,936,007	₱—	₱1,481,978,933	₱19,887,934,666

26. Earnings Per Share

Basic and diluted earnings per share (EPS) are computed as follows:

	2025	2024	2023
Net income attributable to equity holders of the Parent Company	₱414,708,712	₱575,999,975	₱948,309,181
Less share of Series C, D and F preferred shares in 2025, 2024 and 2023	(316,397,115)	(260,103,705)	(249,276,000)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	₱98,311,597	₱315,896,270	₱699,033,181
Weighted average number of common shares for basic and diluted EPS	5,318,095,199	5,318,095,199	5,318,095,199
Basic and diluted EPS	₱0.0185	₱0.0594	₱0.1314

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The Group has no dilutive potential common shares outstanding during the periods presented.

27. Financial Risk Management Objectives and Policies

The Group's financial instruments comprise cash in banks, cash equivalents, financial assets at FVPL, receivables (excluding accrued rent receivable), deposits, amounts held in escrow, amounts held in trust, loans payable, bonds payable, accounts and other payables (except statutory liabilities, deferred output VAT, advance rent and advances from buyers) and advances from non-controlling interests.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks as summarized below.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the Group. The Group's exposure to credit risk arises primarily from its trade receivables, contract assets, and other financial assets at amortized cost.

The Group's maximum exposure to credit risk is generally equal to the carrying amount of its financial assets, without taking into account any collateral or other credit enhancements.

The Group manages credit risk through established credit policies, including credit evaluation, approval processes, and ongoing monitoring of receivables and contract assets.

Trade Receivables and Contract Assets

The Group's trade receivables and contract assets arise primarily from the sale of real estate units under installment arrangements and leasing activities.

For real estate sales, the Group assesses buyers' creditworthiness prior to contract execution and monitors collections on an ongoing basis. Contract assets represent the Group's right to consideration for work performed but not yet billed and are subject to credit risk related to buyer default and contract cancellations.

For real estate sales, legal title to the property is generally transferred only upon full payment by the buyer. In the event of buyer default, the Group has the contractual right to cancel the sale and repossess the property. Repossessed units may subsequently be resold. These features mitigate the Group's exposure to credit risk, as the underlying real estate asset provides a form of security against potential losses. Historically, the Group has experienced low levels of credit losses on its real estate receivables.

Nevertheless, the Group applies the simplified approach under PFRS 9 in measuring expected credit losses, which requires recognition of lifetime ECL for trade receivables and contract assets.

The Group considers historical default and cancellation rates, current conditions, and forward-looking information, including trends in the real estate market, in assessing expected credit losses.

Other Financial Assets at Amortized Cost

The Group's other financial assets at amortized cost include cash in banks, cash equivalents, deposits, and amounts held in escrow and trust. The Group limits its exposure to credit risk by transacting only with financial institutions with high credit quality. These instruments are considered to have low credit risk, and the Group applies a 12-month ECL approach.

Concentration of Credit Risk

The Group's exposure to credit risk is influenced by the characteristics of its customer base. The Group's receivables and contract assets are primarily derived from:

- Individual buyers of residential units
- Commercial tenants

The Group has no significant concentration of credit risk with a single counterparty or group of counterparties.

Financial Assets at FVPL

The Group is also exposed to credit risk in relation to its investment in money market fund that is measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL.

Assets that are credit-impaired are separately presented.

2025					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired		
Cash and cash equivalents*	₱1,380,888,883	₱—	₱—	₱—	₱1,380,888,883
Financial assets at FVPL	—	—	—	271,312,173	271,312,173
Receivables**	—	3,349,816,380	1,746,790	—	3,351,563,170
Contract assets	—	8,891,243,368	—	—	8,891,243,368
Deposits	142,030,117	—	—	—	142,030,117
Amounts held in escrow	249,763,060	—	—	—	249,763,060
Amounts held in trust	40,019,673	—	—	—	40,019,673
	₱1,812,701,733	₱12,241,059,748	₱1,746,790	₱271,312,173	₱14,326,820,444

*Excludes cash on hand amounting to ₱225,860

**Excludes accrued rent receivable amounting to ₱65.4 million as at December 31, 2025.

2024					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired		
Cash and cash equivalents*	₱4,045,768,662	₱—	₱—	₱—	₱4,045,768,662
Financial assets at FVPL	—	—	—	1,895,958,320	1,895,958,320
Receivables**	—	1,753,712,299	1,746,790	—	1,755,459,089
Contract assets	—	7,625,261,813	—	—	7,625,261,813
Deposits	502,128,321	—	—	—	502,128,321
Amounts held in escrow	335,370,367	—	—	—	335,370,367
Amounts held in trust	9,503,621	—	—	—	9,503,621
	₱4,892,770,971	₱9,378,974,112	₱1,746,790	₱1,895,958,320	₱16,169,450,193

*Excludes cash on hand amounting to ₱195,000.

**Excludes accrued rent receivable amounting to ₱18.0 million as at December 31, 2024.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents, monitoring forecast and actual cash flows, and maintaining adequate unutilized credit facilities from financial institutions. The Group also manages liquidity through external financing, including bank borrowings and capital market issuances, as necessary.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows as at December 31, 2025 and 2024. The amounts presented include both principal and interest payments, where applicable.

2025						
	Due and Payable on Demand	Less than 1 Year	1-2 Years	>2-3 Years	Over 3 Years	Total
Loans payable	P=	P11,431,029,373	P3,708,247,503	P1,772,623,444	P1,850,000,000	P18,761,900,320
Bonds payable	—	—	1,600,000,000	—	1,400,000,000	3,000,000,000
Accounts and other payables*	672,178,812	3,405,820,946	642,287,679	753,247,000	—	5,473,534,437
Advances from non-controlling interest	1,058,519,597	—	—	—	—	1,058,519,597
	P1,730,698,409	P14,836,850,319	P5,950,535,182	P2,525,870,444	P3,250,000,000	P28,293,954,354

*Excludes advances from buyers, advance rent, deferred output VAT and statutory payables aggregating to P1,537.0 million as at December 31, 2025.

2024						
	Due and Payable on Demand	Less than 1 Year	1-2 Years	>2-3 Years	Over 3 Years	Total
Loans payable	P=	P8,699,545,361	P3,792,914,435	P=	P=	P12,492,459,796
Bonds payable	—	3,000,000,000	—	—	3,000,000,000	6,000,000,000
Accounts and other payables*	637,212,544	2,330,364,457	—	—	—	2,967,577,001
Advances from non-controlling interest	1,010,119,597	—	—	—	—	1,010,119,597
	P1,647,332,141	P14,029,909,818	P3,792,914,435	P=	P3,000,000,000	P22,470,156,394

*Excludes advances from buyers, advance rent and statutory payables aggregating to P1,294.6 million as at December 31, 2024.

Nature of Financial Liabilities and Timing of Cash Flows

Loans payable represent the Group's primary source of external financing and are obtained to fund working capital requirements, project development, and acquisitions. A significant portion of these loans is due within one year and is expected to be settled through a combination of internally generated cash flows, collections from related parties, and refinancing with existing or new credit facilities.

Bonds payable consist of fixed-rate instruments with bullet repayment terms. The Group manages the liquidity risk associated with these instruments through advance planning of refinancing or repayment strategies prior to maturity. During the year, bonds amounting to P3.0 billion matured and were settled.

Accounts and other payables are generally non-interest bearing and are expected to be settled within the normal operating cycle. Certain liabilities such as security deposits and advance rent do not represent immediate cash outflows and are excluded from the maturity analysis as appropriate.

Advances from non-controlling interest are generally payable on demand; however, settlement is managed within the group based on overall cash flow requirements.

Liquidity Risk Management

The Group monitors its exposure to a shortage of funds through regular review of its maturity profile of financial liabilities and expected cash inflows from operations and financing activities. The Group prepares cash flow forecasts on a daily and monthly basis to ensure that it has sufficient liquidity to meet its obligations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, capital market issuances, and internally generated funds.

The Group addresses liquidity requirements through:

- Cash flows generated from real estate sales, leasing and other operations
- Availability of committed credit facilities from banks amounting to ₱8,088.9 million as at December 31, 2025
- Access to capital markets for bond issuances, when necessary

Refinancing Risk

The Group is exposed to refinancing risk arising from its borrowings, particularly loans payable and bonds payable with fixed maturity dates. The Group manages this risk by maintaining good relationships with financial institutions, monitoring market conditions, and initiating refinancing activities sufficiently ahead of maturity dates.

Covenant Compliance

Certain loan agreements and bonds payable require the Group to maintain financial ratios, including a current ratio of at least 1.5x and a debt-to-equity ratio not exceeding 2.0x, based on the consolidated financial statements.

As at December 31, 2025 and 2024, the Group is in compliance with these covenants. The Group monitors compliance with these requirements on a regular basis to ensure continued access to financing and to avoid potential acceleration of obligations.

Concentration of Liquidity Risk

The Group's liquidity risk is influenced by its reliance on cash flows from subsidiaries. Delays in collections from these entities may impact the Group's ability to meet its obligations as they fall due. Management continuously monitors the financial performance and cash flow projections of its subsidiaries to mitigate this risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its borrowings from local banks, which include both fixed-rate and variable-rate instruments.

Borrowings with fixed interest rates expose the Group to fair value interest rate risk, while borrowings with variable interest rates expose the Group to cash flow interest rate risk due to periodic repricing.

The Group manages its exposure to interest rate risk by maintaining an appropriate mix of fixed and variable rate borrowings, taking into account prevailing market conditions, and by regularly monitoring interest rate movements.

Sensitivity Analysis

The following table demonstrates the sensitivity of the Group's income before tax to a reasonably possible change in interest rates, with all other variables held constant:

	Change in interest rate	Effect on income before tax
December 31, 2025	-45.46%	21,025,539
	45.46%	(21,025,539)
December 31, 2024	-29.27%	46,747,857
	29.27%	(46,747,857)

The sensitivity analysis assumes that the change in interest rates applies to variable rate borrowings outstanding at the reporting date.

The assumed changes in interest rates of 45.46% and 29.27% in 2025 and 2024, respectively, represent management's assessment of reasonably possible changes in market interest rates based on observable market data at the reporting date. A positive change in interest rates would result in an increase in interest expense and a corresponding decrease in income before tax, while a negative change would have the opposite effect.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position to support its business operations and growth, while maximizing shareholder value and maintaining an optimal capital structure.

The Group manages its capital structure, which consists of debt and equity, and monitors its capital using financial leverage ratios, such as the debt-to-equity ratio, defined as interest-bearing borrowings and liabilities for deferred purchase price of property and services, divided by total equity and advances from non-controlling interest.

The Group's policy is to maintain a level of leverage that is consistent with industry norms and within the limits set by its financing agreements. The Group monitors compliance with financial covenants associated with its borrowings as part of its capital management process.

Capital for the reporting periods under review is summarized as follows:

	2025	2024
Total liabilities	₱33,058,291,862	₱26,289,431,728
Total equity	14,648,750,876	14,252,302,840
Debt to equity ratio	2.26:1.00	1.84:1.00

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and the risk profile of its assets. To maintain or adjust its capital structure, the Group may:

- adjust dividend payments to shareholders;
- issue new shares or other equity instruments;
- obtain additional borrowings or refinance existing debt; and
- dispose of assets to reduce leverage.

The Group has complied with all externally imposed capital requirements, including financial covenants, during the reporting periods.

Financial Ratios and Performance Monitoring

The Group monitors key financial ratios as part of its overall financial and risk management processes. These include liquidity ratios (such as current ratio), leverage ratios (such as debt-to-equity ratio), profitability metrics, and interest coverage ratios.

These ratios are reviewed regularly by management and the Board to assess financial performance, monitor trends, and ensure compliance with financial covenants associated with the Group's borrowings. As at the reporting date, the Group is in compliance with all such covenants.

28. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Group's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

			2025		
			Fair Value		
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	6	₱271,312,173	₱271,312,173	₱—	₱—
Investment properties	10	16,569,289,505	—	3,056,256,603	13,513,032,902
Financial assets at amortized cost - Deposits	12	142,030,117	—	—	142,030,117
		₱16,982,631,795	₱271,312,173	₱3,056,256,603	₱13,655,063,019
Liability for which fair value is disclosed -					
Loans payable	14	₱18,699,823,576	₱—	₱17,873,637,329	₱—
Bonds payable	15	2,965,754,165	—	2,434,110,185	—
		₱21,665,577,741	₱—	₱20,307,747,514	₱—
			2024		
			Fair Value		
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	6	₱1,895,958,320	₱1,895,958,320	₱—	₱—
Investment properties	10	14,590,019,555	—	1,971,065,512	12,618,954,043
Financial assets at amortized cost - Deposits	12	502,128,321	—	—	502,128,321
		₱16,988,106,196	₱1,895,958,320	₱1,971,065,512	₱13,121,082,364
Liability for which fair value is disclosed -					
Loans payable	14	₱12,476,024,751	₱—	₱12,658,799,990	₱—
Bonds payable	15	5,955,532,419	—	6,280,628,403	—
		₱18,431,557,170	₱—	₱18,939,428,393	₱—

The following methods and assumptions were used in estimating the fair value of the Group's financial assets and liabilities:

Financial Assets and FVPL. The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices.

Investment Properties. The fair value of investment properties were determined using discounted cash flow approach, depreciated replacement cost approach and market data approach.

Deposits. Deposits are measured at amortized cost. The fair value of deposits has not been determined using observable market data because management believes that the difference between fair value and carrying amount is not significant. The fair value of utility deposits has been categorized as level 3.

Loans and Bonds Payable. The fair value of the Group's loans and bonds payable were determined by discounting the sum of all future cash flows using the prevailing market rates of interest for instruments with similar maturities. Interest-bearing loans and bonds payable include accrued interest in the estimation of its fair value.

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate fair values as at December 31, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	₱1,381,114,743	₱4,045,963,662
Receivables*	3,349,816,380	1,753,712,299
Amounts held in escrow	249,763,060	335,370,367
Amounts held in trust	40,019,673	9,503,621
	₱5,020,713,856	₱6,144,549,949
Financial liabilities:		
Accounts and other payables**	₱5,421,614,321	₱2,942,389,852
Advances from non-controlling interests	1,058,519,597	1,010,119,597
	₱6,480,133,918	₱3,952,509,449

*Excludes accrued rent receivable amounting to ₱65.4 million and ₱18.0 million as at December 31, 2025 and 2024, respectively.

**Excludes advances from buyers, advance rent, statutory liabilities and lease liabilities aggregating ₱1,588.8 million and ₱1,319.8 million as at December 31, 2025 and 2024, respectively.

Cash and Cash Equivalents, Receivables, Amounts Held in Escrow, Amounts Held in Trust, Accounts and Other Payables and Advances from Non-controlling Interests. The carrying amounts of these financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

There were no transfers between levels of fair value hierarchy in 2025 and 2024.

29. Classification of Consolidated Statements of Financial Position Accounts

The Group's current portions of its assets and liabilities as at December 31, 2025 and 2024 are as follows:

	Note	2025	2024
Current Assets			
Cash and cash equivalents	5	₱1,381,114,743	₱4,045,963,662
Financial assets at FVPL	6	271,312,173	1,895,958,320
Receivables	7	3,415,177,569	1,771,675,289
CWT		1,125,196,039	862,328,524
Input VAT		912,807,838	463,784,660
Contract assets	8	8,891,243,368	7,625,261,813
Real estate for sale	9	13,106,806,103	7,271,174,737
Other assets*	12	200,557,485	1,150,058,816
		₱29,304,215,318	₱25,086,205,821

*Excludes noncurrent portion of advances for asset purchase and land acquisition advances to contractors, deposits, software and others amounting to ₱1,351.6 million and ₱563.9 million as at December 31, 2025 and 2024, respectively.

	Note	2025	2024
Current Liabilities			
Accounts and other payables*	13	₱3,772,477,060	₱3,756,450,394
Current portion of loans payable	14	11,426,598,458	8,699,545,361
Contract liabilities	8	595,701,610	428,492,840
Current portion of bonds payable	15	—	3,000,000,000
		₱15,794,777,128	₱15,884,488,595

*Excludes noncurrent portion of payable to landowners, retention payable, deferred output VAT, and lease liabilities amounting to ₱3,238.0 million and ₱505.7 million as at December 31, 2025 and 2024, respectively.

30. Operating Segment Information

Operating segments are identified on the basis of internal reports reviewed by senior management for the purposes of allocating resources and assessing performance.

Segment performance is evaluated based on segment profit, which represents earnings before finance costs, income tax, and other non-operating items. Finance costs and certain corporate expenses are not allocated to operating segments and are presented under "Corporate."

Segment assets include assets directly attributable to a segment, while segment liabilities include liabilities directly attributable to a segment. Assets and liabilities that cannot be directly attributed are allocated on a reasonable and consistent basis.

All of the Group's operations are located in the Philippines, and all revenues are derived from domestic operations. Accordingly, no geographical segment information is presented.

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the years ended December 31, 2025, 2024 and 2023:

2025						
	Sale of Real Estate	Leasing	Property Management and Other Services	Corporate	Eliminations	Total
Segment revenue	₱4,400,040,042	₱705,069,656	₱1,497,145,080	₱-	(₱1,458,707,249)	₱5,143,547,529
Segment expenses	(3,112,735,440)	(176,582,622)	(231,172,267)	(2,439,038,370)	927,641,960	(5,031,886,739)
Segment profit	1,287,304,602	528,487,034	1,265,972,813	(2,439,038,370)	(531,065,289)	111,660,790
Net gain on change in fair value of investment properties	-	1,940,773,536	-	-	-	1,940,773,536
Finance costs	-	-	-	(2,000,153,297)	425,269,919	(1,574,883,378)
Other income - net	-	-	-	397,923,979	-	397,923,979
Income before income tax	1,287,304,602	2,469,260,570	1,265,972,813	(4,041,267,688)	(105,795,370)	875,474,927
Provision for income tax	-	-	-	-	-	(467,646,277)
Net income	-	-	-	-	-	407,828,650
Other comprehensive loss	-	-	-	-	-	4,333,446
Total comprehensive income	-	-	-	-	-	₱412,162,096
Assets	₱11,317,552,917	₱16,669,904,961	₱6,527,749	₱34,551,796,694	(₱14,838,739,584)	₱47,707,042,737
Liabilities	(₱8,562,347,455)	(₱72,485,342)	₱-	(₱33,840,792,319)	₱9,417,333,255	(₱33,058,291,861)

2024						
	Sale of Real Estate	Leasing	Property Management and Other Services	Corporate	Eliminations	Total
Segment revenue	₱5,773,479,748	₱414,901,457	₱494,193,235	₱-	(₱458,550,302)	₱6,224,024,138
Segment expenses	(4,401,083,562)	(161,816,431)	(181,108,787)	(1,413,511,073)	164,212,554	(5,993,307,299)
Segment profit	1,372,396,186	253,085,026	313,084,448	(1,413,511,073)	(294,337,748)	230,716,839
Net gain on change in fair value of investment properties	-	1,933,989,204	-	-	-	1,933,989,204
Finance costs	-	-	-	(1,651,651,045)	164,722,230	(1,486,928,815)
Other income - net	-	-	-	425,884,378	-	425,884,378
Income before income tax	1,372,396,186	2,187,074,230	313,084,448	(2,639,277,740)	(129,615,518)	1,103,661,606
Provision for income tax	-	-	-	-	-	(345,285,691)
Net income	-	-	-	-	-	758,375,915
Other comprehensive loss	-	-	-	-	-	(7,583,868)
Total comprehensive income	-	-	-	-	-	₱750,792,047
Assets	₱7,655,935,731	₱14,590,019,556	₱358,214,091	₱28,486,901,276	(₱10,549,336,086)	₱40,541,734,568
Liabilities	(₱6,192,787,928)	(₱60,722,065)	₱-	(₱27,988,061,275)	₱7,952,139,540	(₱26,289,431,728)

2023						
	Sale of Real Estate	Leasing	Property Management and Other Services	Corporate	Eliminations	Total
Segment revenue	₱6,251,574,060	₱366,299,089	₱228,620,468	₱-	(₱207,570,035)	₱6,638,923,582
Segment expenses	(3,684,000,551)	(143,250,409)	(137,397,407)	(1,424,254,541)	113,633,739	(5,275,269,169)
Segment profit	2,567,573,509	223,048,680	91,223,061	(1,424,254,541)	(93,936,296)	1,363,654,413
Net gain on change in fair value of investment properties	-	974,092,333	-	-	-	974,092,333
Finance costs	(208,516,416)	-	-	(1,020,350,432)	208,516,416	(1,020,350,432)
Other income - net	-	-	-	521,253,473	-	521,253,473
Income before income tax	2,359,057,093	1,197,141,013	91,223,061	(1,923,351,500)	114,580,120	1,838,649,787
Provision for income tax	-	-	-	-	-	(449,666,103)
Net income	-	-	-	-	-	1,388,983,684
Other comprehensive income	-	-	-	-	-	(5,129,604)
Total comprehensive income	-	-	-	-	-	₱1,383,854,080
Assets	₱8,017,297,137	₱13,168,863,171	₱101,378,769	₱25,311,040,703	(₱9,334,533,890)	₱37,264,045,890
Liabilities	(₱4,498,162,517)	(₱1,750,203,148)	₱-	(₱25,713,337,186)	₱7,813,828,746	(₱24,147,874,105)

31. Events After Reporting Period

Declaration of Cash Dividends

The Company's BOD approved and declared the following cash dividends:

Class of shares	Declaration Date	Stockholders of Record Date	Payment Date	Amount	Dividend per Share
Series F Preferred Shares	January 21, 2026	February 4, 2026	February 16, 2026	₱45,465,705	₱9.1575
Series D Preferred Shares	January 21, 2026	February 11, 2026	March 3, 2026	45,000,000	7.5000
Series F Preferred Shares	April 8, 2026	April 23, 2026	May 14, 2026	45,465,705	9.1575

Reallocation of Use of Proceeds

Green Bonds Second Tranche

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the second tranche of green bonds effective March 20, 2026 (see Note 16).

Approval of Decrease in Authorized Capital Stock

On March 18, 2026, the SEC approved ALCO's application to decrease its authorized capital stock by ₱50.0 million preferred shares (see Note 16).



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Arthaland Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Group's management. These are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024
- Schedules required by Annex 68-J as at December 31, 2025
- Schedule of Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Conglomerate Map

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024.

REYES TACANDONG & Co.

CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

ARTHALAND CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2025

Below is a schedule showing financial soundness indicators in the years 2025, 2024 and 2023.

	2025	2024	2023
Current/Liquidity Ratio	1.86	1.58	2.32
Current assets	₱29,304,215,318	₱25,086,205,821	₱23,620,939,847
Divided by: Current liabilities	15,794,777,128	15,884,488,595	10,168,443,635
Acid Test Ratio	0.32	0.49	0.86
Quick assets (Cash and cash equivalents, financial assets at FVPL and receivables)	5,067,604,485	7,713,597,271	8,694,452,587
Divided by: Current liabilities	15,794,777,128	15,884,488,595	10,168,443,635
Solvency Ratio	0.01	0.03	0.06
Net income before depreciation	478,436,425	826,961,062	1,451,735,811
Divided by: Total liabilities	33,058,291,861	26,289,431,728	24,147,874,105
Debt-to-Equity Ratio	2.26	1.84	1.84
Total liabilities	33,058,291,861	26,289,431,728	24,147,874,105
Divided by: Total equity	14,648,750,876	14,252,302,840	13,116,171,785
Debt-to-Equity Ratio for Loan Covenant	1.50	1.36	1.39
Total Debt (interest-bearing borrowings and liabilities for deferred purchase price of property)*	23,525,824,741	19,441,676,767	18,230,459,206
Total Equity (includes advances from non-controlling interest in 2025)	15,707,270,473	14,252,302,840	13,116,171,785
Asset-to-Equity Ratio	3.26	2.84	2.84
Total assets	47,707,042,737	40,541,734,568	37,264,045,890
Divided by: Total equity	14,648,750,876	14,252,302,840	13,116,171,785
Interest Rate Coverage Ratio	1.57	1.74	2.81
Pretax income before interest	2,417,692,229	2,585,640,539	2,854,835,245
Divided by: Interest expense	1,542,217,302	1,481,978,933	1,016,185,458
Return on Assets Ratio	0.01	0.02	0.04
Net income	407,828,650	758,375,915	1,388,983,684
Divided by: Average total assets	44,124,388,653	38,902,890,229	36,828,376,490
Return on Equity Ratio	0.03	0.06	0.11
Net income	407,828,650	758,375,915	1,388,983,684
Divided by: Average total equity	14,450,526,858	13,684,237,313	12,588,241,358

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

ARTHALAND CORPORATION AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II
OF REVISED SRC RULE 68
DECEMBER 31, 2025

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<i><u>Schedule</u></i>	<i><u>Description</u></i>	<i><u>Page</u></i>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>2</u>
D	Long-Term Debt	<u>3</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>5</u>

ARTHALAND CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Deductions		Ending Balance		Balance at end of year
				Sale	Current	Not current		
Advances to subsidiaries:								
Cebu Lavana Land Corp.	₱2,936,995,930	₱7,455,000	(₱332,455,000)	₱—	₱2,611,995,930	₱—		₱2,611,995,930
Cazneau, Inc.	954,545,410	207,642,467	—	—	—	1,162,187,877		1,162,187,877
Zileya Land Development, Inc.	527,123,444	765,500,000	(752,623,444)	(216,000,000)	—	324,000,000		324,000,000
Bhavana Properties Inc.	331,800,000	359,600,000	(10,600,000)	—	—	680,800,000		680,800,000
Bhavya Properties Inc.	314,408,714	186,000,000	(24,000,000)	—	—	476,408,714		476,408,714
Urban Property Holdings, Inc.				—		—		
(net of allowance for impairment amounting to ₱3,261,249)	165,067,178	6,500,000	—		171,567,178			171,567,178
Savya Land Development Corporation	—	467,000,000	(267,000,000)	—	200,000,000	—		200,000,000
Kashtha Holdings Inc.	154,500,000	—	(134,400,000)	—	20,100,000	—		20,100,000
Pradhana Land Inc.	49,573,025	—	—	—	49,573,025	—		49,573,025
Arthaland Property Prestige Solutions, Inc.	6,446,956	5,300,000	(2,000,000)	—	9,746,956	—		9,746,956
Sotern Land Corporation	—	84,500,000	—	—	84,500,000	—		84,500,000
Furusato Land Corporation	—	31,601,026	(430,000)	—	31,171,026	—		31,171,026
Manchesterland Properties, Inc.	4,400,000	—	—	—	4,400,000	—		4,400,000
	₱5,444,860,657	₱2,121,098,493	(₱1,523,508,444)	(₱216,000,000)	₱3,183,054,115	₱2,643,396,591		₱5,826,450,706
Advances from subsidiaries:								
Manchesterland Properties, Inc.	₱284,632,299	₱—	₱—	₱—	₱284,632,299	₱—		₱284,632,299

ARTHALAND CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” related balance sheet	Amount shown under caption “Long-Term Debt” in related statement of financial position			
			Carrying amount	Interest Rates	Payment Terms	Maturity Dates
Bank Loans:						
Bank 1	₱500,000,000	₱500,000,000	₱—	8.75%	At end of term	March 20, 2026 to August 28, 2026
Bank 2	500,000,000	460,937,500	208,214,983	7.53% to 8.12%	Quarterly	June 28, 2027 to March 27, 2028
Bank 3	350,000,000	—	350,000,000	7.50%	At end of term	July 24, 2026
Bank 4	300,000,000	82,500,000	—	8.85%	At end of term	February 3, 2026
Bank 5	400,000,000	400,000,000	—	7.00%	At end of term	March 23, 2026
Bank 6	605,000,000	50,000,000	—	8.00%	At end of term	May 13, 2026
Bank 7	1,450,000,000	1,389,119,646	—	8.19% to 8.50%	At end of term	January 6, 2026 to June 24, 2026
Bank 8	2,215,500,000	1,425,900,000	779,334,988	8.09% to 8.62%	At end of term	May 4, 2026 to December 13, 2027
Bank 9	1,500,000,000	—	1,488,809,680	6.91%	Quarterly	February 6, 2030
Bank 10	1,000,000,000	—	983,725,394	7.47%	Quarterly	May 27, 2030
Bank 11	1,000,000,000	264,033,037	—	6.25% to 8.48%	Quarterly	February 9, 2026 to August 10, 2026
Bank 12	250,000,000	206,045,000	—	8.19% to 8.50%	At end of term	January 6, 2026 to June 17, 2026
Bank 13	200,000,000	120,000,000	—	7.50%	At end of term	November 13, 2026 to November 27, 2026
Bank 14	1,000,000,000	242,212,547	—	8.00% to 8.25%	At the end of term	October 22, 2026 to October 29, 2026
Bank 15	472,660,730	47,872,727	423,064,435	6.75%	At the end of term	May 04, 2026 to April 16, 2027
Bank 16	1,000,000,000	62,609,873	—	6.75%	At the end of term	November 26, 2026
Bank 17	1,236,461,649	666,174,260	562,936,763	7.75%	At the end of term	July 31, 2026 to May 13, 2027
Bank 18	857,750,000	857,750,000	—	7.50%	At end of term	February 5, 2026 to November 12, 2026
Bank 19	500,000,000	474,894,900	—	8.19% to 8.50%	At end of term	January 7, 2026 to June 30, 2026
Bank 20	168,879,288	168,879,288	—	6.5% to 6.75%	At end of term	May 24, 2026 to December 27, 2026
Bank 21	930,000,000	627,507,212	—	6.17% to 8.78%	Quarterly	November 27, 2026

(Forward)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” related balance sheet	Amount shown under caption “Long-Term Debt” in related statement of financial position			
			Carrying amount	Interest Rates	Payment Terms	Maturity Dates
Bank 22	₱1,200,000,000	₱590,340,328	₱—	7.16% to 7.25%	Unequal monthly installments	August 30, 2026 to December 30, 2026
Bank 23	39,502,497	39,502,497	—	7.75%	At the end of term	November 27, 2026 to December 27, 2026
Bank 24	180,000,000	87,000,000	—	7.50%	At the end of term	December 14, 2026 to December 21, 2026
Bank 25	930,000,000	543,766,780	267,446,159	6.37% to 9.1%	Quarterly	January 5, 2027
Bank 26	268,000,000	125,444,000	—	7.50%	At end of term	July 31, 2026 to November 13, 2026
Bank 27	1,500,000,000	502,018,916	—	8.00%	At end of term	March 13, 2026 to October 29, 2026
Bank 28	1,000,000,000	404,030,125	72,581,362	7.25%	Unequal monthly installments	February 28, 2026 to October 30, 2027
Bank 29	224,035,854	224,035,853	—	7.75%	At end of term	October 27, 2026 to November 2, 2026
Bank 30	1,381,000,000	90,000,000	570,000,000	7.60% to 8.00%	Quarterly	September 28, 2028
Bank 31	1,224,800,000	740,800,000	434,000,000	7.81% to 8.62%	At end of term	May 11, 2026 to November 08, 2027
Bank 32	2,414,000,000	—	1,113,111,353	7.31% to 7.77%	Quarterly	July 25, 2030
Private funders	41,578,970	41,578,970	—	5.40%	At end of term	July 7, 2026 to September 4, 2026
Private funders	11,645,000	11,645,000	—	5.40%	At end of term	January 7 2026 to June 6 2026
	₱26,850,813,988	₱11,446,598,459	₱7,253,225,117			

ARTHALAND CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2025

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common shares - ₱0.18 par value per share	16,368,095,199	5,318,095,199	—	3,650,954,906	76,715,159	1,590,425,134
Preferred shares - ₱1.00 par value per share	80,000,000	47,464,860	—	26,500,000	—	20,964,860

**PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

ARTHALAND CORPORATION
7/F Arthaland Century Pacific Tower
5th Avenue corner 30th Street
Bonifacio Global City, Taguig City

	Amount
Retained earnings available for dividend declaration as at the beginning of reporting period	₱123,856,758
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	380,214,260
Deficit, as adjusted	(256,357,502)
Add: Net income for the current year	1,252,333,544
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	354,208
Unrealized fair value gain of investment property	684,594,662
Sub-total	684,948,870
Less: Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)	311,027,172
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	11,570,014
Sub-total	322,597,186
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of net deferred tax asset not considered in the reconciling items under the previous categories	46,763,123
Retained earnings available for dividend declaration as at the end of reporting period	₱275,834,063

ARTHALAND CORPORATION
SCHEDULE OF USE OF PROCEEDS
DECEMBER 31, 2025

Green Bonds - Second Tranche

The gross proceeds from the offer of the second tranche of the Bonds amounted to ₱3,000.0 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱—
Project Vanilla	1,120.0	930.3	930.3	—
Project Olive	1,378.0	—	—	—
Project Teal	—	200.0	50.0	150.0
ACPT Loan and Others	276.0	225.0	225.0	—
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

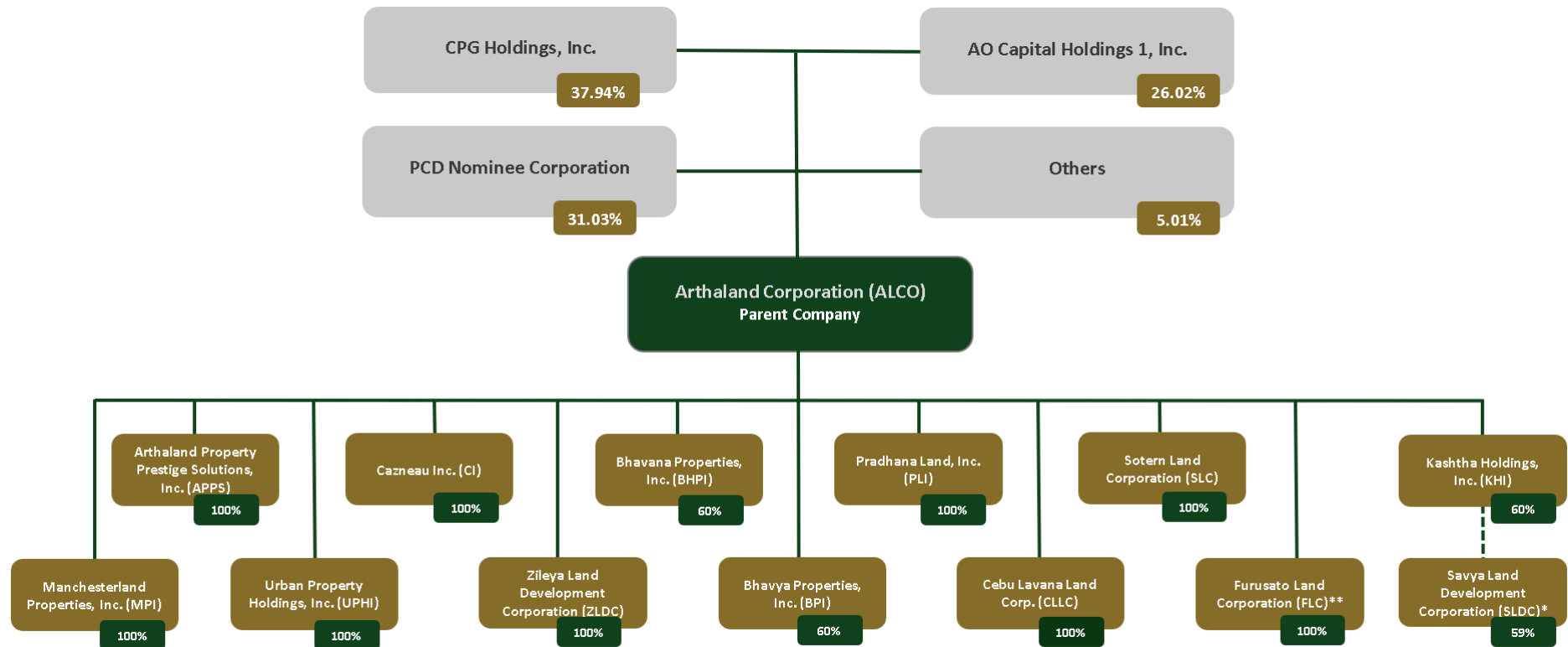
Series F Preferred Shares

The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, ₱2,451.5 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱—
Project Teal	1,140.0	821.5	821.5	—
ACPT Loan and Others	342.4	200.0	200.0	—
Debt Service Reserve Account (DSRA)				—
Requirement for				
ACPT Loan	—	200.0	200.0	
Investment into Bhavya to Fund Project				—
Eluria	—	30.0	30.0	
General Corporate Purposes	—	200.0	200.0	—
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱—

CONGLOMERATE MAP



*Indirect ownership
**Incorporated May 14, 2025

ARTHALAND CORPORATION

**SUPPLEMENTARY SCHEDULES OF EXTERNAL AUDITOR FEE RELATED INFORMATION
DECEMBER 31, 2025 AND 2024**

	2025	2024
Total Audit Fees	₱6,199,250	₱5,665,000
Non-audit services fees:		
Other assurance services	—	3,500,000
Tax services	—	892,857
All other services	700,000	540,000
Total Non-Audit Fees	700,000	4,932,857
Total Audit and Non-audit Fees	₱6,899,250	₱10,597,857

Audit and Non-audit Fees of Other Related Entities

	2025	2024
Audit Fees	₱—	₱—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Audit and Non-audit Fees of Other Related Entities	₱—	₱—

for
AUDITED FINANCIAL STATEMENTS

A	S	9	4	0	0	7	1	6	0
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A	A	S	F	S
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C	R	M	D
---	---	---	---

N	/	A
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C O M P A N Y I N F O R M A T I O N		
Company's Email Address ALCO@arthaland.com	Company's Telephone Number/s (02) 8-403-6910	Mobile Number (+63) 917 509 3413
No. of Stockholders 1,903	Annual Meeting (Month / Day) Last Friday of June	Fiscal Year (Month / Day) December 31

CONTACT PERSON INFORMATION			
The designated contact person <u>MUST</u> be an Officer of the Corporation			
Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Marivic S. Victoria	msvictoria@arthaland.com	(02) 8-403-6910	(+63) 917-509-3413

CONTACT PERSON'S ADDRESS
Blk 14, Lot 8, Estanislao Street, BF Resort Village, Las Pinas City 1740

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

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Wed 4/15/2026 2:39 PM
To Romel J. Espinoza <RJESPINOZA@ARTHALAND.COM>
Cc Romel J. Espinoza <RJESPINOZA@ARTHALAND.COM>

Hi ARTHALAND CORPORATION,

Valid files

- EAFS004450721AFSTY122025.pdf
- EAFS004450721ITRTY122025.pdf
- EAFS004450721TCRTY122025-01.pdf
- EAFS004450721OTHTY122025.pdf
- EAFS004450721TCRTY122025-02.pdf
- EAFS004450721RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-C8H6LFDLOCCED95H5NXYWW23Q0BCCBFBGC**
Submission Date/Time: **Apr 15, 2026 02:39 PM**
Company TIN: **004-450-721**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

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

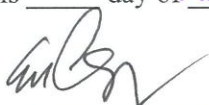
In preparing the financial statements, Management is responsible for assessing the Corporation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Corporation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

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

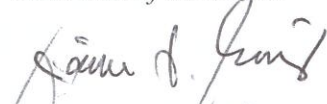
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

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

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



ERNEST K. CUYEGKENG
Chairman of the Board



JAIME C. GONZÁLEZ
Vice Chairman and President



MARIVIC S. VICTORIA
Chief Finance Officer

OATH

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) SS.

APR 13 2026

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

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

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

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

GAUDENCIO A. BARBOZA JR.
NOTARY PUBLIC
UNTIL DEC 31, 2026
PTR # A-6767296 / JAN 5, 2026 TAGUIG CITY
IBP No 534380 / 12/02/25 RSM (FOR YR 2026)
ROLL No 41969
MCLE COMP NO VIII No 0040608
SEPTEMBER 3, 2025
APP NO 29 (2025-2026)



INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for Opinion

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

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

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

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



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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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



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

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

ARTHALAND CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Cash and cash equivalents	4	₱719,446,075	₱3,465,872,862
Financial assets at fair value through profit or loss (FVPL)	5	8,387,709	1,528,745,250
Receivables	6	3,726,826,143	1,835,953,382
Creditable withholding taxes (CWT)		645,019,253	474,951,493
Real estate for sale	7	257,802,525	257,802,525
Investment properties	8	8,471,788,203	7,555,247,291
Property and equipment	9	266,123,011	253,666,664
Investments in and advances to subsidiaries	10	9,892,304,733	7,267,714,683
Other assets	11	222,737,624	398,608,934
		₱24,210,435,276	₱23,038,563,084
LIABILITIES AND EQUITY			
Liabilities			
Accounts and other payables	12	₱761,934,751	₱781,610,961
Loans payable	13	8,118,542,191	5,295,609,075
Bonds payable	14	2,965,754,165	5,955,532,419
Advances from subsidiaries	20	284,632,299	284,632,299
Retirement liability	21	44,372,344	19,442,830
Net deferred tax liabilities	23	1,016,002,837	557,541,381
Total Liabilities		13,191,238,587	12,894,368,965
Equity			
Capital stock	15	1,004,721,996	1,004,721,996
Additional paid-in capital		6,464,321,710	6,464,321,710
Retained earnings		4,505,318,269	3,633,198,985
Treasury shares	15	(1,000,000,000)	(1,000,000,000)
Cumulative remeasurement gains on net retirement asset - net of deferred tax	21	37,672,887	34,789,601
Stock options	15	7,161,827	7,161,827
Total Equity		11,019,196,689	10,144,194,119
		₱24,210,435,276	₱23,038,563,084

See accompanying Notes to Separate Financial Statements.

ARTHALAND CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2025	2024	2023
REVENUES				
Project management and developer's fees		₱1,397,478,742	₱375,002,463	₱186,365,898
Leasing operations	8	370,832,397	355,996,794	329,289,020
		1,768,311,139	730,999,257	515,654,918
COST OF SERVICES				
Cost of services	16	123,607,225	112,791,416	97,827,257
Cost of leasing operations	8	109,755,567	105,740,605	114,793,032
		233,362,792	218,532,021	212,620,289
GROSS INCOME		1,534,948,347	512,467,236	303,034,629
OPERATING EXPENSES	17	(561,760,381)	(509,715,330)	(422,887,356)
FINANCE COSTS	18	(877,801,638)	(903,098,920)	(824,636,918)
GAIN ON CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES	8	912,792,883	811,179,721	307,152,883
OTHER INCOME - Net	19	775,485,865	1,076,838,131	968,832,934
INCOME BEFORE INCOME TAX		1,783,665,076	987,670,838	331,496,172
PROVISION FOR (BENEFIT FROM) INCOME TAX	23	531,331,532	80,351,289	(81,065,403)
NET INCOME		1,252,333,544	907,319,549	412,561,575
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss -</i>				
Remeasurement gains (losses) on net retirement asset	21	3,844,381	(9,531,439)	(5,282,238)
Income tax benefit (expense) relating to item that will not be reclassified	23	(961,095)	2,382,859	1,320,560
		2,883,286	(7,148,580)	(3,961,678)
TOTAL COMPREHENSIVE INCOME		₱1,255,216,830	₱900,170,969	₱408,599,897

See accompanying Notes to Separate Financial Statements.

ARTHALAND CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2025	2024	2023
CAPITAL STOCK	15			
Common - at ₱0.18 par value - issued and outstanding		₱957,257,136	₱957,257,136	₱957,257,136
Preferred - at ₱1.00 par value				
Balance at beginning of year		47,464,860	48,500,000	48,500,000
Issuance of preferred shares		—	18,964,860	—
Cancellation of preferred shares		—	(20,000,000)	—
Balance at end of year		47,464,860	47,464,860	48,500,000
		1,004,721,996	1,004,721,996	1,005,757,136
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		6,464,321,710	5,973,360,513	5,973,360,513
Issuance of preferred shares		—	2,477,465,140	—
Cancellation of preferred shares		—	(1,956,441,541)	—
Stock issuance costs		—	(30,062,402)	—
Balance at end of year		6,464,321,710	6,464,321,710	5,973,360,513
RETAINED EARNINGS				
Balance at beginning of year		3,633,198,985	3,073,358,742	2,973,890,309
Net income		1,252,333,544	907,319,549	412,561,575
Dividends declared during the year	15	(380,214,260)	(323,920,847)	(313,093,142)
Cancellation of preferred shares		—	(23,558,459)	—
Balance at end of year		4,505,318,269	3,633,198,985	3,073,358,742
TREASURY SHARES				
Balance at beginning of year - redemption of 20.0 million Series B Preferred Shares		(1,000,000,000)	(2,000,000,000)	(2,000,000,000)
Cancellation of Series B Preferred Shares	15	—	2,000,000,000	—
Redemption of 10.0 million Series C Preferred Shares	15	—	(1,000,000,000)	—
Balance at end of year		(1,000,000,000)	(1,000,000,000)	(2,000,000,000)
CUMULATIVE REMEASUREMENT GAINS ON NET RETIREMENT LIABILITY - Net of tax	21			
Balance at beginning of year		34,789,601	41,938,181	45,899,859
Remeasurement gains (losses) on net retirement liability		3,844,381	(9,531,439)	(5,282,238)
Income tax benefit (expense) relating to other comprehensive income	23	(961,095)	2,382,859	1,320,560
Balance at end of year		37,672,887	34,789,601	41,938,181
STOCK OPTIONS				
Balance at beginning and end of year	15	7,161,827	7,161,827	7,161,827
		₱11,019,196,689	₱10,144,194,119	₱8,101,576,399

See accompanying Notes to Separate Financial Statements.

ARTHALAND CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱1,783,665,076	₱987,670,838	₱331,496,172
Adjustments for:				
Gain on change in fair value of investment properties	8	(912,792,883)	(811,179,721)	(307,152,883)
Finance costs	13	858,278,549	900,583,892	823,187,326
Interest income	4	(488,501,045)	(375,687,922)	(382,004,220)
Gain on assignment of advances	19	(204,831,916)	–	–
Realized gain on disposals of financial assets at FVPL	5	(65,484,319)	(46,952,211)	(26,739,011)
Depreciation and amortization	9	45,194,619	36,679,783	33,776,954
Retirement benefits expense	21	28,773,895	24,063,159	16,624,477
Amortization of initial direct leasing costs	8	5,656,296	5,338,684	1,357,221
Unrealized holding losses (gains) on financial assets at FVPL	5	(354,208)	(11,570,014)	1,741,646
Write-off of receivables	19	–	36,052,873	–
Write-off of accounts and other payables	12	–	(17,495,195)	–
Provision for impairment of deposits	11	–	16,002,600	–
Loss (gain) on disposal of property and equipment	9	–	(4,457,347)	857,717
Unrealized foreign exchange losses (gains)		–	(545,675)	3,761,137
Operating income before working capital changes		1,049,604,064	738,503,744	496,906,536
Decrease (increase) in:				
Receivables		(909,494,863)	(557,493,855)	78,364,675
Real estate for sale		–	(2,858,526)	(1,617,520)
Other assets		221,291,966	(152,232,191)	19,098,430
Increase in accounts and other payables		4,692,204	51,202,052	170,955,055
Net cash generated from operations		366,093,371	77,121,224	763,707,176
Income tax paid		(243,898,931)	(146,056,316)	(86,791,275)
Interest received		79,347,437	225,340,458	228,090,391
Net cash provided by operating activities		201,541,877	156,405,366	905,006,292
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of:				
Financial assets at FVPL		11,115,196,068	9,661,446,656	6,499,259,561
Property and equipment	9	–	4,457,347	3,327,270
Additions to:				
Financial assets at FVPL	5	(9,529,000,000)	(10,837,494,446)	(5,345,332,148)
Software and licenses	11	(53,839,657)	(10,890,229)	(8,602,737)
Property and equipment	9	(13,585,965)	(9,570,850)	(34,226,996)
Investment properties	8	(9,404,325)	–	(5,353,024)
Advances to subsidiaries		(1,968,490,868)	(347,439,670)	–
Investments in subsidiaries		(2,547,000,000)	(563,000,000)	–
Payments of advances to subsidiaries		1,523,508,444	568,283,059	(123,740,554)
Net cash provided by (used in) investing activities		(1,482,616,303)	(1,534,208,133)	985,331,372

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from loans payable, net of debt issue cost	13	₱10,692,256,698	₱5,585,509,167	₱2,925,000,000
Payments of:				
Bonds payable	14	(3,000,000,000)	—	—
Loans payable	13	(7,877,710,184)	(5,107,040,000)	(3,330,000,000)
Dividends payable	24	(426,949,995)	(278,474,297)	(314,500,714)
Finance costs	24	(837,507,010)	(856,574,377)	(918,517,729)
Lease liabilities	12	(15,441,870)	(5,412,582)	—
Proceeds from issuance of preferred shares		—	2,466,367,598	—
Redemption of preferred shares series B	15	—	(1,000,000,000)	—
Proceeds from (payments of) advances from subsidiaries		—	(1,264,020)	70,566
Net cash provided by (used in) financing activities		(1,465,352,361)	803,111,489	(1,637,947,877)
NET EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS				
		—	545,675	(3,761,137)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(2,746,426,787)	(574,145,603)	248,628,650
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		3,465,872,862	4,040,018,465	3,791,389,815
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		₱719,446,075	₱3,465,872,862	₱4,040,018,465
COMPONENTS OF CASH AND CASH EQUIVALENTS				
	4			
Cash on hand		₱10,106	₱65,000	₱65,000
Cash in banks		383,513,348	608,436,141	575,880,335
Cash equivalents		335,922,621	2,857,371,721	3,464,073,130
		₱719,446,075	₱3,465,872,862	₱4,040,018,465
NONCASH FINANCIAL INFORMATION				
Receivable from sale of interest and assignment of advances to subsidiary	6	₱724,831,916	₱—	₱—
Reclassification of interest receivable to advances	20	152,607,626	—	—
Initial recognition of right-of-use asset and lease liabilities	9	35,646,000	28,128,000	—
Cancellation of 20.0 million Series B Preferred Shares	15	—	2,000,000,000	—
Reclassification of investment to advances		—	—	65,800,000

See accompanying Notes to Separate Financial Statements.

ARTHALAND CORPORATION

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

1. General Information

Corporate Information

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

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

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

Projects

Arya Residences

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

Arthaland Century Pacific Tower (ACPT)

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

Project Olive

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

Approval of the Separate Financial Statements

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

2. Summary of Material Accounting Policy Information

The material accounting policies that have been used in the preparation of the separate financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

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

The Company also prepares consolidated financial statements for the same year in accordance with PFRS Accounting Standards. The consolidated financial statements are available for public use and can be obtained in the registered office address of the Company and SEC.

Measurement Bases

The separate financial statements are presented in Philippine Peso, the Company's presentation currency. All values represent absolute amounts unless otherwise indicated.

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

Adoption of Amendments to PFRS Accounting Standards

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

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

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the separate financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1 and introduces new requirements on the presentation and disclosure of information in general purpose financial statements. It includes the introduction of defined categories and subtotals in the statement of comprehensive income, enhanced disclosures on management-defined performance measures, and improved guidance on the grouping and aggregation of information. The standard requires full retrospective application. Earlier application is permitted.

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

Financial Assets at Amortized Cost

The Company's cash and cash equivalents, receivables (excluding accrued rent receivable), advances to subsidiaries, amounts held in escrow and deposits are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any.

The Company recognizes ECL on financial assets at amortized cost in accordance with PFRS 9. For trade receivables, the Company applies the simplified approach and recognizes lifetime ECL. For other financial assets, the Company applies the general approach and recognizes 12-month ECL unless there has been a significant increase in credit risk since initial recognition.

In assessing ECL, the Company considers historical loss experience, current conditions and forward-looking information, including the creditworthiness of counterparties and available financial information.

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

Financial Assets at FVPL

The Company's investments in unit investment trust funds (UITF) are classified as financial assets at fair value through profit or loss (FVPL). These financial assets are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss.

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

Financial Liabilities at Amortized Cost

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

Creditable Withholding Taxes (CWT)

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

Real Estate for Sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV). Cost includes acquisition cost plus any other directly attributable costs of developing the asset to its saleable condition and cost of improving the properties up to the reporting date. Directly attributable costs include amounts paid to contractors, planning and designing costs, costs of site preparation and construction overheads.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs to complete and the estimated costs to sell. When NRV of the real estate for sale is lower than the cost, the Company provides for an allowance for obsolescence on real estate for sale and recognizes the allowance as an expense in profit or loss. Any reversal of the write-down arising from an increase in NRV is recognized as a reduction of the expense in the period in which the reversal occurs.

Investment Properties

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

The Company applies the fair value model in accounting for its investment properties. Investment properties are initially measured at cost and subsequently measured at fair value at each reporting date, reflecting market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are recognized in profit or loss in the period in which they arise.

Transfers to investment properties occur when there is evidence of a change in use, such as the end of owner-occupation, commencement of an operating lease to another party, or completion of construction or development. Transfers from investment properties occur when there is a change in use, such as the commencement of owner-occupation or commencement of development with a view to sale.

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

Property and Equipment

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

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

Asset Type	Number of Years
Building and building improvements	50
Transportation equipment	3 to 5
Office equipment	3 to 5
Furniture and fixtures	3 to 5

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

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

Investment in Subsidiaries

The Company's investment in subsidiaries, entities over which the Company has control, are accounted for under the cost method of accounting in the separate financial statements less any impairment in value. In assessing control, the Company considers if it is exposed, or has right, to variable returns from its investment with the subsidiary and if it has the ability to affect those returns. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the subsidiaries arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Other Assets

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

Advances for Project Development. Advances for project development are recognized whenever the Company makes advance payments for its purchase of goods and services. These are measured at transaction price less impairment in value, if any.

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

Value-Added Tax (VAT)

Deferred Output VAT. VAT from sales of property on installments. If the payments in the year of sale do not exceed twenty-five percent (25%) of the gross selling price, the sale will be considered under installment, in which case VAT will be paid based on collections.

Prior to the implementation of the Ease of Paying Taxes (EoPT) Law, VAT was calculated based on gross receipts. Following the enactment of the EoPT Law, the tax base for VAT was revised to gross revenues.

Impairment of Nonfinancial Assets

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

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

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

Capital Stock

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

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

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

Additional Paid-in Capital

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

Treasury Shares

The Company's own equity instruments which are reacquired are deducted from equity. Treasury shares are accounted for at cost and shown as a deduction in the equity section of the separate statements of financial position. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Retained Earnings

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

Revenue Recognition

The Company has assessed that it acts as a principal in all of its revenue sources. The following specific recognition criteria must also be met before revenue is recognized.

Leasing Operations. Leasing revenue consists of rent income and common use service area (CUSA) fees. Rent income arising from operating leases on investment properties is recognized on a straight-line basis over the lease terms, except for contingent rental income, which is recognized in the period that it arises. Tenant lease incentives are recognized as a reduction of rental income on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, management is reasonably certain that the tenant will exercise that option. CUSA fees are recognized as income once earned. These are charged monthly and are based on the lessee's proportionate share on the common areas.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in profit or loss when the right to receive those amounts arises.

Project Management and Developer's Fees. Revenue is recognized in profit or loss when the related services are rendered.

Dividend income. Dividend income is recognized when the Company's right to receive the dividend payments is established.

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

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

Cost and Expenses Recognition

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

Cost of Services. Cost of services, which constitute direct costs incurred in relation to project management and development services, is recognized as expense when the related services are rendered.

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

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

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a Lessor. Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

Company as Lessee. At the commencement date, the Company recognizes right of use (ROU) asset and a lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At commencement date, the Company measures the ROU assets at cost. The cost comprises of amount of the initial measurement of lease liabilities and any initial direct costs incurred by the Company.

ROU assets are recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets is carried at cost less any accumulated amortization and adjusted for any remeasurement of the related lease liabilities. The ROU assets are depreciated over the shorter of the lease term or 3 to 5 years, which is the useful life of the underlying asset.

Lease Liabilities. At commencement date, the Company measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

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

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

Employee Benefits

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

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

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

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

Current service costs are the increase in the present value of the defined benefit obligation resulting from employee service and are recognized in profit or loss.

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

Net interest on the net retirement liability or asset is the change during the period in the net retirement liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net retirement liability or asset.

Remeasurements pertaining to actuarial gains and losses, return on plan assets and any change in effect of asset ceiling are recognized immediately in other comprehensive income (OCI) in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

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

Income Taxes

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

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

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

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

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

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

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

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

Related Party Transactions and Relationships

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

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

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

Provisions

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

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the statements of financial position when an inflow of economic benefits is probable.

Events After the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the separate financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of separate financial statements in accordance with PFRS Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are continually evaluated and are based on historical experience and other factors considered reasonable under the circumstances. Actual results may differ from these estimates.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the separate financial statements:

Determining Control or Joint Control over an Investee Company. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Company has determined that by the virtue of the Company's majority ownership of voting rights in its subsidiaries as at December 31, 2025 and 2024, it has the ability to exercise control over its investees.

Classifying Financial Instruments. The Company exercises judgment in classifying financial instruments in accordance with PFRS 9. The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Company's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the separate statements of financial position.

Investments in UITF are classified as financial assets at FVPL as at December 31, 2025 and 2024 is disclosed in Note 5.

Classifying Real Estate for Sale, Investment Properties and Property and Equipment. The Company determines whether a property qualifies as a real estate for sale, an investment property or an item of property and equipment. In making its judgment, the Company considers whether the property is held for sale in the ordinary course of business, held primarily to earn rentals or capital appreciation or both, or used for operations and administrative purposes by the Company.

Determining the Highest and Best Use of Investment Properties. The Company determines the highest and best use of its investment properties when measuring fair value. In making its judgment, the Company takes into account the use of the investment properties that is physically possible, legally permissible and financially feasible. The Company has determined that the highest and best use of the investment properties is their current use.

Determining Lease Commitments. The Company entered into various lease contracts for its office units in ACPT. The Company has determined that the risks and rewards of ownership related to the leased properties are retained by the Company. Accordingly, the leases were accounted for as operating leases. Revenue from leasing operations recognized from these operating leases in 2025, 2024 and 2023 are disclosed in Note 22.

Additionally, the Company entered into a lease agreement for transportation equipment for a period of three (3) to five (5) years. Accordingly, ROU assets and lease liabilities have been recognized. The carrying amounts of ROU assets and lease liabilities as at December 31, 2025 and 2024 are disclosed in Notes 9 and 12, respectively.

Assessing Provisions and Contingencies. The Company evaluates legal and administrative proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

Accounting Estimates and Assumptions

Estimating the Fair Value of Investment Properties. Investment properties are measured at fair values. The Company works closely with external qualified valuers who performed the valuation using appropriate valuation techniques. The appraiser used a valuation technique based on comparable market data adjusted as necessary to reflect the specific assets' location and condition and, estimated expected future cash flows, yields, occupancy rates, and discount rates. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 8.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy. The carrying amounts of investment properties as at December 31, 2025 and 2024 are disclosed in Note 8.

Assessing ECL on Trade Receivables. The Company assessed the expected credit losses on trade receivables and concluded that the resulting impairment is not material, taking into account historical collection experience.

Accordingly, no provision for ECL on trade and other receivables was recognized in 2025 and 2024.

The carrying amounts of the Company's trade receivables as at December 31, 2025 and 2024 are disclosed in Note 6.

Assessing ECL on Other Financial Assets at Amortized Cost. The Company assesses expected credit losses (ECL) on other financial assets at amortized cost using the general impairment model under PFRS 9. In estimating ECL, management considers the probability of default and potential loss given default over the expected life of the financial assets.

The Company's exposure to credit risk primarily relates to cash deposits with banks, nontrade and other receivables, refundable deposits and advances to subsidiaries. Cash deposits are placed with reputable financial institutions with high credit ratings and are therefore considered to have low credit risk. For nontrade and other receivables, refundable deposits and advances to subsidiaries, credit risk is also considered low as the Company transacts with related parties and reputable counterparties with strong capacity to meet their contractual cash flow obligations in the near term.

The Company considers financial assets that are more than 30 days past due as having experienced a significant increase in credit risk, unless there is reasonable evidence that the delay in payment does not indicate increased credit risk.

Based on this assessment, no provision for expected credit losses on these financial assets was recognized in 2025 and 2024.

The amounts of provision for ECL recognized in 2025, 2024 and 2023 and the carrying amounts of the Company's other financial assets at amortized costs as at December 31, 2025, 2024 and 2023 are disclosed in Notes 4, 6, 10, 11 and 20.

Determining NRV of Real Estate for Sale. Real estate for sale is stated at lower of cost or NRV. The Company adjusts the cost of its real estate for sale to NRV based on its assessment of the recoverability of the real estate assets. NRV in respect of real estate for sale under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less estimated costs to sell. The determination of NRV requires significant estimation, particularly with respect to future selling prices and remaining development costs, which are influenced by market demand, construction cost trends, and other economic factors. Changes in these assumptions may result in adjustments to the carrying amount of real estate for sale in future periods.

No provision for inventory obsolescence was recognized in 2025 and 2024.

The carrying amounts of real estate for sale as at December 31, 2025 and 2024 are disclosed in Note 7.

Determining the Fair Value of Investment in UITF. The Company classifies its investments in UITF as financial asset at FVPL in the separate statements of financial position. The Company determined the fair value of investment in UITF using available market prices in active markets for identical assets (Level 1). Any changes in the fair value of this financial asset would affect profit or loss.

The fair values and carrying amounts of investments in UITF as at December 31, 2025 and 2024 are disclosed in Note 5.

Estimating the Useful Lives of Property and Equipment, ROU Assets and Software. The Company reviews annually the estimated useful lives of property and equipment, ROU assets, and software based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization.

There were no changes in the estimated useful lives of property and equipment, ROU assets and software in 2025, 2024 and 2023. The carrying amounts of property and equipment, ROU assets and software as at December 31, 2025 and 2024 are disclosed in Notes 9 and 11.

Assessing Impairment Losses on Nonfinancial Assets. The Company assesses nonfinancial assets, such as property and equipment, investment properties and other noncurrent assets, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In making this assessment, management considers both external and internal sources of information, including changes in market conditions, asset performance, and physical condition.

Based on management's assessment, no impairment loss on nonfinancial assets was recognized in 2025 and 2024.

The carrying amounts of nonfinancial assets are disclosed in Notes 6, 9, 10 and 11.

Estimating the Retirement Expense. The determination of the Company's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 21 and include among others, discount rate and salary increase rate. While the Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect net retirement liability.

The Company's retirement expense in 2025, 2024 and 2023, and the net retirement liability as at December 31, 2025 and 2024 are disclosed in Note 21.

Assessing the Realizability of Deferred Tax Assets. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO is based on the projected taxable income in the following periods.

As at December 31, 2025 and 2024, the carrying amounts of recognized deferred tax assets are disclosed in Note 23.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱10,106	₱65,000
Cash in banks	383,513,348	608,436,141
Cash equivalents	335,922,621	2,857,371,721
	₱719,446,075	₱3,465,872,862

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations. Cash equivalents are short-term time deposits made for varying periods up to three (3) months or less and earn interest at the respective prevailing time deposit rates.

Interest income is earned from the following (see Note 19):

	Note	2025	2024	2023
Cash in banks		₱1,434,605	₱858,116	₱2,435,175
Cash equivalents		65,258,596	224,482,342	225,655,216
Advances to subsidiaries	20	421,807,844	150,347,464	153,913,829
		₱488,501,045	₱375,687,922	₱382,004,220

5. Financial Assets at FVPL

This account pertains to investments in UITF. Movements in this account are as follows:

	Note	2025	2024
Balance at beginning of year		₱1,528,745,250	₱294,175,235
Additions		9,529,000,000	10,837,494,446
Disposals		(11,049,711,749)	(9,614,494,445)
Unrealized holding gains	19	354,208	11,570,014
Balance at end of year		₱8,387,709	₱1,528,745,250

Realized gain on disposals of financial assets at FVPL amounted to ₱65.5 million in 2025, ₱47.0 million in 2024 and ₱26.7 million in 2023 (see Note 19).

The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices (see Note 26).

6. Receivables

This account consists of:

	Note	2025	2024
Trade receivables from:			
Project management and development	20	₱1,597,975,891	₱118,406,280
Leasing	22	77,807,040	137,904,929
Interest receivable	20	1,025,185,364	768,639,382
Receivables from sale of shares and advances	10	724,831,916	—
Nontrade receivables	20	217,331,664	198,415,722
Advances to employees		17,356,668	13,455,454
Accrued rent receivable	22	13,128,794	10,343,183
Due from related parties	20	4,871,340	4,871,340
Dividend receivable	20	25,000,000	535,000,000
Other receivables		25,084,256	50,663,882
		3,728,572,933	1,837,700,172
Allowance for impairment loss		(1,746,790)	(1,746,790)
		₱3,726,826,143	₱1,835,953,382

Trade receivables from project management and development are non-interest bearing, unsecured and generally collectible within 30 days. Trade receivables from leasing operations are non-interest bearing, unsecured and generally collectible within seven (7) days.

Interest receivable pertains to accrual of interest income from the Company's advances to subsidiaries.

Advances to employees represent salary and other loans granted to employees which are non-interest bearing in nature and collectible through salary deductions.

Accrued rent receivable pertains to the difference between rental income recognized using straight-line method of accounting and rental payments based on the terms of the lease contracts.

Others mainly include other charges and advances which are non-interest bearing and collectible on demand.

7. Real Estate for Sale

This account pertains to parcels of land acquired by the Company with a total area of 1,271 sqm. located in Taguig, Metro Manila, which will be developed into a mixed-use building with condominium units for sale. This amounted to ₱257.8 million as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, real estate for sale is stated at cost which is lower than its NRV. There is no allowance for inventory obsolescence as at December 31, 2025 and 2024.

8. Investment Properties

Investment properties consist of:

	2025	2024
ACPT	₱8,052,704,863	₱7,200,420,674
Land	389,230,400	325,642,500
Arya residences - parking slots	29,852,940	29,184,117
	₱8,471,788,203	₱7,555,247,291

Movements of this account follow:

	2025	2024
Balance at beginning of year, at cost	₱2,729,591,053	₱2,729,591,053
Development costs incurred	2,222,178	–
Balance at end of year, at cost	2,731,813,231	2,729,591,053
Cumulative gain on change in fair value	5,722,742,728	4,809,949,845
	8,454,555,959	7,539,540,898
Unamortized initial direct leasing costs	17,232,244	15,706,393
Balance at end of year, at fair value	₱8,471,788,203	₱7,555,247,291

Movements of the cumulative gain on change in fair value are as follows:

	2025	2024
Balance at beginning of year	₱4,809,949,845	₱3,998,770,124
Gain on change in fair value	912,792,883	811,179,721
Balance at end of year	₱5,722,742,728	₱4,809,949,845

Movements of the unamortized initial direct leasing costs are as follows:

	2025	2024
Balance at beginning of year	₱15,706,393	₱8,743,074
Additions	7,182,147	12,302,003
Amortization	(5,656,296)	(5,338,684)
Balance at end of year	₱17,232,244	₱15,706,393

ACPT

The carrying amount of ACPT includes office units and parking slots for lease. ACPT office units are used as collateral for loans payable amounting to ₱1,488.8 million and ₱598.4 million as at December 31, 2025 and 2024, respectively (see Note 13).

Land

The Company's land has a total area of 10.3 hectares located in Batangas and Tagaytay, which is being held for capital appreciation, with fair value aggregating ₱389.2 million and ₱325.6 million as at December 31, 2025 and 2024, respectively.

Arya Residences - Parking Slots

These are parking slots of the Company in Arya Residences which are used for leasing operations.

Leasing Operations

The Company recognized revenue from leasing operations amounting to ₱370.8 million in 2025, ₱356.0 million in 2024 and ₱329.3 million in 2023 (see Note 22) and incurred direct cost of leasing amounting to ₱109.8 million in 2025, ₱105.7 million in 2024 and ₱114.8 million in 2023.

Cost of leasing operations consists of:

	Note	2025	2024	2023
Condominium dues		₱62,410,996	₱63,850,820	₱55,440,636
Rentals		31,071,921	26,970,238	32,749,566
Real property taxes		3,973,447	4,873,005	10,598,976
Utilities		1,529,655	1,159,008	1,129,670
Consultancy fees		1,440,000	5,638,717	995,731
Janitorial		889,062	973,005	694,778
Security services		792,954	1,010,862	943,120
Repairs and maintenance		744,167	609,505	310,737
Depreciation	9	—	48,016	137,608
Others		6,903,365	607,429	11,792,210
		₱109,755,567	₱105,740,605	₱114,793,032

Other cost of leasing operations postal and communication and various miscellaneous expenses.

Fair Value Measurement

Details of the valuation techniques used in measuring fair values of investment properties, as appraised by a SEC-accredited and independent appraiser (Asian Appraisal Company, Inc.) in its report as at December 31, 2025 and 2024, are classified under Levels 2 and 3 of the fair value hierarchy as follows:

Class of Property	Valuation Technique	Significant Inputs	Range	
			2025	2024
ACPT	Discounted cash flow (DCF) approach	Discount rate	8.63%	8.84%
		Rental rate for an office unit per square meter (per sqm)	₱1,850	₱1,969
		Rental rate per slot	9,500	9,188
		Calculated no. of net leasable area (total sqm)	18,059	18,059
		Vacancy rate	—*	—*
		Income tax rate	25%	25%
		Rental rate per slot	₱8,500	₱8,828
Arya Residences - Parking slots	DCF approach	Rent escalation rate p.a.	7%	7%
		Discount rate	8.63%	8.84%
		Vacancy rate	5%	5%
		Income tax rate	25%	25%
		Price per sqm	₱3,600	₱3,000
Land	Market data approach	Value adjustments	-25% to 45%	25%

*As at December 31, 2025 and 2024, all office units classified as investment property were leased to tenants.

The description of the valuation techniques and inputs used in the fair value measurement are as follows:

DCF Approach

Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market-derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Sensitivity Analysis. A reasonably possible change in key assumptions would have the following effects:

- An increase (decrease) in rental rates and rent escalation rates would result in a corresponding increase (decrease) in fair value.
- An increase (decrease) in discount rates and vacancy rates would result in a corresponding decrease (increase) in fair value.

Market Data Approach

Market data approach involves the comparison of the Batangas and Tagaytay land properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size and architectural features among others.

The reconciliation of the balances of investment properties classified according to level in the fair value hierarchy is as follows:

	2025		
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balance at beginning of year	₱325,642,500	₱7,229,604,791	₱7,555,247,291
Gain on change in fair value	63,587,900	849,204,983	912,792,883
Development costs incurred	—	2,222,178	2,222,178
Net initial direct leasing costs	—	1,525,851	1,525,851
Balance at end of year	₱389,230,400	₱8,082,557,803	₱8,471,788,203

	2024		
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balance at beginning of year	₱216,962,168	₱6,520,142,083	₱6,737,104,251
Gain on change in fair value	108,680,332	702,499,389	811,179,721
Net initial direct leasing costs	—	6,963,319	6,963,319
Balance at end of year	₱325,642,500	₱7,229,604,791	₱7,555,247,291

There are no transfers between the levels of fair value hierarchy in 2025 and 2024.

9. Property and Equipment

The balances and movements of this account consist of:

	2025						
	Building and Building Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Construction in Progress	ROU Assets	Total
Cost							
Balances at beginning of year	₱218,035,233	₱61,605,883	₱52,808,591	₱15,335,406	₱—	₱28,128,000	₱375,913,113
Additions	1,102,620	—	7,788,224	303,268	4,391,853	35,646,000	49,231,965
Disposals	—	(13,595,536)	—	—	—	—	(13,595,536)
Balances at end of year	219,137,853	48,010,347	60,596,815	15,638,674	4,391,853	63,774,000	411,549,542
Accumulated Depreciation and Amortization							
Balances at beginning of year	23,729,188	37,127,470	43,091,591	13,892,200	—	4,406,000	122,246,449
Depreciation and amortization	4,396,988	11,910,830	6,946,439	750,005	—	12,771,356	36,775,618
Disposals	—	(13,595,536)	—	—	—	—	(13,595,536)
Balances at end of year	28,126,176	35,442,764	50,038,030	14,642,205	—	17,177,356	145,426,531
Carrying Amount	₱191,011,677	₱12,567,583	₱10,558,785	₱996,469	₱4,391,853	₱46,596,644	₱266,123,011
	2024						
	Building and Building Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures		ROU Assets	Total
Cost							
Balances at beginning of year	₱214,727,372	₱74,128,473	₱47,183,447	₱14,697,561	₱—	₱350,736,853	
Additions	3,307,861	—	5,625,144	637,845	28,128,000	37,698,850	
Disposals	—	(12,522,590)	—	—	—	(12,522,590)	
Balances at end of year	218,035,233	61,605,883	52,808,591	15,335,406	28,128,000	375,913,113	
Accumulated Depreciation and Amortization							
Balances at beginning of year	19,346,612	33,016,232	36,968,594	12,885,159	—	102,216,597	
Depreciation and amortization	4,382,576	16,633,828	6,122,997	1,007,041	4,406,000	32,552,442	
Disposals	—	(12,522,590)	—	—	—	(12,522,590)	
Balances at end of year	23,729,188	37,127,470	43,091,591	13,892,200	4,406,000	122,246,449	
Carrying Amount	₱194,306,045	₱24,478,413	₱9,717,000	₱1,443,206	₱23,722,000	₱253,666,664	

The Company entered into lease agreements for the lease of various vehicles. The terms of the lease ranges from three (3) to five (5) years. These are recognized as ROU assets.

Construction in progress pertains to renovation works on the 7th floor of ACPT, a portion of the building used by the Company as its head office.

As at December 31, 2025 and 2024, fully depreciated property and equipment amounting to ₱66.8 million and ₱50.7 million, respectively, are still being used by the Company.

The Company sold property and equipment with carrying amount of nil in 2025 and 2024 and ₱4.2 million in 2023, which resulted to gain on disposal of ₱4.5 million in 2024 and a loss on disposal of ₱0.9 million in 2023 (see Note 19). No gain or loss was recognized in the sale of property and equipment in 2025.

Depreciation and amortization consists of the following:

	Note	2025	2024	2023
Property and equipment		₱24,004,262	₱28,146,442	₱30,876,254
ROU assets		12,771,356	4,406,000	—
Software and licenses	11	8,419,001	4,127,341	2,900,700
		₱45,194,619	₱36,679,783	₱33,776,954

Depreciation of property and equipment and amortization of ROU assets and software and licenses, were recognized in the following:

	Note	2025	2024	2023
Operating expense	17	₱45,194,619	₱36,631,767	₱33,639,346
Cost of leasing operations	8	—	48,016	137,608
		₱45,194,619	₱36,679,783	₱33,776,954

10. Investments in and Advances to Subsidiaries

This account consists of:

	Note	2025	2024
Investment in subsidiaries - at cost:			
Sotern Land Corporation (SLC)		₱1,167,000,000	₱330,000,000
Furusato Land Corporation (FLC)		1,000,000,000	—
Manchesterland Properties, Inc. (MPI)		900,459,683	900,459,683
Zileya Land Development Corporation (ZLDC)		456,000,000	50,000,000
Cebu Lavana Land Corporation (CLLC)		163,159,210	163,159,210
Bhavya Properties, Inc. (Bhavya)		162,300,000	162,300,000
Pradhana Land, Inc. (PLI)		125,000,000	125,000,000
Bhavana Properties, Inc. (Bhavana)		42,000,000	42,000,000
Cazneau Inc. (Cazneau)		26,000,000	26,000,000
Urban Property Holdings, Inc. (UPHI)		14,667,361	14,667,361
Kashtha Holdings, Inc. (KHI)		7,499,800	7,499,800
Arthaland Property Prestige Solutions, Inc. (APPS)		7,000,000	7,000,000
		4,071,086,054	1,828,086,054
Allowance for impairment		(5,232,027)	(5,232,027)
		4,065,854,027	1,822,854,027
Advances to subsidiaries:	20		
CLLC		2,611,995,930	2,936,995,930
Cazneau		1,162,187,878	954,545,410
Bhavana		680,800,000	331,800,000
Bhavya		476,408,714	314,408,714
ZLDC		324,000,000	527,123,444
SLDC		200,000,000	—
UPHI		174,828,427	168,328,427
SLC		84,500,000	—
PLI		49,573,025	49,573,025
FLC		31,171,026	—
KHI		20,100,000	154,500,000
APPS		9,746,955	6,446,955
MPI		4,400,000	4,400,000
		5,829,711,955	5,448,121,905
Allowance for impairment loss		(3,261,249)	(3,261,249)
		5,826,450,706	5,444,860,656
		₱9,892,304,733	₱7,267,714,683

The Company's interest on the following subsidiaries follows:

Subsidiary	Place of Incorporation	Percentage of Ownership	
		2025	2024
Cazneau	Philippines	100%	100%
MPI	Philippines	100%	100%
APPS	Philippines	100%	100%
UPHI	Philippines	100%	100%
PLI	Philippines	100%	100%
CLLC	Philippines	100%	100%
SLC	Philippines	100%	100%
FLC	Philippines	100%*	—*
Bhavana	Philippines	60%	60%
Bhavya	Philippines	60%	60%
KHI	Philippines	60%	60%
ZLDC	Philippines	60%	100%
Savya Land Development Corporation (SLDC)	Philippines	59%**	59%**

**incorporated May 14, 2025*

***indirectly owned through KHI*

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

ZLDC

On January 27, 2025, ALCO subscribed to 7,100,000 Preferred Shares Series B at a subscription price of ₱100 per share, for a total consideration of ₱710.0 million.

On June 27, 2025, the BOD approved ALCO's subscription to 7,655,000 Preferred Shares Series B at a subscription price of ₱100 per share, or a total subscription price of ₱765.5 million. The Company paid the subscription proceeds on June 30, 2025.

On August 6, 2025, the BOD approved the cancellation of the subscription, effective July 29, 2025, as ZLDC's application to amend its AOI and increase its authorized capital stock had not yet been approved by the Securities and Exchange Commission (SEC). Following the cancellation, the amount previously recorded as investment was reclassified to advances to subsidiaries upon execution of the shareholders' advances agreements. These advances were fully paid by ZLDC in 2025.

In December 2025, ALCO sold, transferred and conveyed in favor of SEAI Metro Manila One, Inc. ("SEAIMMO"), by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of the common and preferred shares of the Company, or 200,000 common shares and 2,840,000 Preferred Shares Series B thereof. The agreement also includes transfer of the Company's advances to ZLDC with a carrying value of ₱216.0 million for ₱420.8 million, thereby resulting to a gain of ₱204.8 million (see Note 19). The transfer of the Company's shares decreased the effective ownership of ALCO from 100% to 60%. As at December 31, 2025, the Company has a receivable from SEAIMMO related to the sale and assignment of advances amounting to ₱724.8 million (see Note 6). The amount was subsequently received in January 2026.

SLC

In August 2024, ALCO subscribed to 5,000,000 preferred shares of the Company at a subscription price of ₱100 per share, or an aggregate subscription amount of ₱500.0 million. As at December 31, 2024, ALCO had paid ₱305.0 million. In 2025, ALCO settled the remaining ₱195.0 million, after which the corresponding preferred shares were issued to the Company in accordance with the subscription agreement, which provides that the rights and privileges of the preferred shares attach only upon full payment of the subscription.

On August 6, 2025, the BOD approved ALCO's subscription to an additional 7,500,000 preferred shares at a subscription price of ₱100 per share, equivalent to ₱750.0 million. As at December 31, 2025, ALCO has paid ₱642.0 million.

PLI

In October 2024, ALCO subscribed to 17,000,000 preferred shares of the PLI at a subscription price of ₱100 per share or for an aggregate amount of ₱1,700.0 million. As at December 31, 2025 and 2024, ALCO has paid an aggregate amount of ₱100.0 million.

Based on the subscription agreement, the remaining balance is payable upon call of the BOD of PLI. The related stock certificates will only be issued after receipt of the full subscription price.

FLC

FLC was incorporated on May 14, 2025. On May 19, 2025, ALCO subscribed to 50,000,000 common shares at the subscription price of ₱1.0 per share and 4,500,000 preferred shares at the subscription price of ₱100 per share, for a total consideration of ₱500.0 million.

On August 6, 2025, ALCO subscribed to an additional 5,000,000 common shares at the subscription price of ₱100 per share, for a total consideration of ₱500.0 million.

11. Other Assets

This account consists of:

	Note	2025	2024
Software and licenses		₱80,182,953	₱34,762,297
Deposits		57,575,047	88,969,203
Amounts held in escrow	13	45,162,594	208,946,358
Advances for project development		34,608,414	63,341,684
Prepayments		19,845,282	16,180,286
Materials and supplies		1,165,298	1,341,909
Deferred input VAT		200,636	1,069,797
		238,740,224	414,611,534
Allowance for impairment loss		(16,002,600)	(16,002,600)
		₱222,737,624	₱398,608,934

The balance and movements in the software are as follows:

	2025	2024
Cost		
Balance at beginning of year	₱68,580,367	₱57,690,138
Additions	53,839,657	10,890,229
Balance at end of year	122,420,024	68,580,367
Accumulated Amortization		
Balance at beginning of year	33,818,070	29,690,729
Amortization	8,419,001	4,127,341
Balance at end of year	42,237,071	33,818,070
Carrying Amount	₱80,182,953	₱34,762,297

Deposits pertain to utility, professional services, and guarantee deposits for the construction of the Company's real estate projects. These are settled upon completion of the documentary requirements. In 2024, the Company recognized a provision of allowance for impairment loss pertaining to deposits amounting to ₱16.0 million.

Amounts held in escrow represents the debt service account required under an existing loan with a local bank and the amount which is equivalent to a quarterly principal and interest amortization. The outstanding loan balance amounted to ₱2,472.5 million and ₱598.4 million as at December 31, 2025 and 2024, respectively (see Note 13).

Advances for project development pertain to downpayments made to contractors for the construction of the Company's real estate projects. These advances are applied against contractors' progress billings.

Prepayments include prepaid taxes, insurance, rent, and prepaid commission related to the costs incurred to obtain contracts with customers. Prepayments are amortized over the year, and of prepaid commissions, amortized over the lease term for leasing and based on percentage of completion for selling.

12. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Accounts payable:			
Third parties		₱136,351,733	₱178,319,420
Related parties	20	74,748,574	1,628,570
Security deposits	22	119,372,512	117,257,055
Statutory payables		89,801,811	53,085,329
Accrued expenses		88,993,844	89,553,147
Deferred output VAT		65,138,151	74,693,058
Advance rent	22	50,535,049	54,424,445
Lease liabilities		48,774,460	24,383,034
Construction bonds		35,441,338	34,933,329
Subscription payable	20	18,750,000	56,250,000
Retention payable		5,883,353	23,994,102
Dividends payable	20	4,396,992	51,132,727
Others		23,746,934	21,956,745
		₱761,934,751	₱781,610,961

Accounts payable, which are unsecured, non-interest bearing and are normally settled within 30 days to one (1) year, consists mainly of liabilities to contractors and suppliers.

Security deposits pertain to the deposits made by the lessees of the ACPT which may be applied to unsettled balances or refunded at the end of the lease term.

Statutory payables pertain to various withheld taxes payable to the government agencies which are generally paid within the next reporting period.

Accrued expenses include accruals for interest, personnel costs, and other expenses. These are expected to be settled within the next 12 months. In 2024, the Company recorded a write-off of accrued expenses amounting to ₱17.5 million.

Deferred output VAT pertains to the VAT on trade receivables from billed leasing operations and project management and developer's fees.

Advance rent pertains to the payments made in advance by the tenants to be applied to their rent payable in the immediately succeeding months or in the last three (3) months of the lease term.

The balances and movements in lease liabilities follow:

	Note	2025	2024
Balance at beginning of year		₱24,383,034	₱—
Additions		35,646,000	28,115,160
Rental payments		(15,441,870)	(5,412,582)
Interest expense	13	4,187,296	1,680,456
Balance at end of year		48,774,460	24,383,034
Current portion of lease liabilities		16,035,697	17,629,344
Noncurrent portion of lease liabilities		₱32,738,763	₱6,753,690

As at December 31, 2025 and 2024, the future minimum lease payments are as follows:

	2025	2024
Within one year	₱19,407,304	₱8,215,439
More than one year but less than three years	26,429,778	13,466,745
More than three years	9,744,281	3,856,294
	₱55,581,363	₱25,538,478

Construction bonds represent non-interest bearing deposits made by the lessees before the start of its construction in the ACPT and refundable upon fulfillment of contract provisions.

Subscription payable pertains to the unpaid portion of the Company's subscription to its subsidiaries.

Retention payable, which will be released after completion and satisfaction of the terms and conditions of the construction contract, pertains to amount retained by the Company from the contractors' progress billings for the Company's projects.

Other payables pertain to liabilities to local government, SSS, PhilHealth and HDMF, as well as advances to certain buyers as at cutoff date.

13. Loans Payable

Movements of this account follow:

	2025	2024
Balance at beginning of year	₱5,301,281,667	₱4,820,000,000
Availments	10,735,423,163	5,588,321,667
Payments	(7,877,710,184)	(5,107,040,000)
Balance at end of year	8,158,994,646	5,301,281,667
Unamortized debt issue cost	(40,452,455)	(5,672,592)
	8,118,542,191	5,295,609,075
Less current portion of loans payable	4,308,457,146	4,279,406,667
Long-term portion of loans payable	₱3,810,085,045	₱1,016,202,408

Movements in debt issue cost follow:

	2025	2024
Balance at beginning of year	₱5,672,592	₱9,051,418
Additions	43,166,465	2,812,500
Amortization	(8,386,602)	(6,191,326)
Balance at end of year	₱40,452,455	₱5,672,592

Future repayment of the outstanding principal amounts of loans payable is as follows:

	2025	2024
Within one (1) year	₱4,308,457,146	₱4,279,406,667
After one (1) year but not more than three (3) years	3,850,537,500	1,021,875,000
	₱8,158,994,646	₱5,301,281,667

Local Bank Loans

These are secured and unsecured loans from local banks obtained to finance the Company's working capital requirements, project development and acquisition of properties. These loans have interest rates ranging from 7.00% to 8.85% and 5.50% to 8.85% per annum (p.a.) in 2025 and 2024, respectively.

Details and outstanding balances of loans from local banks as at December 31 follow:

Purpose	Terms	Nominal interest rate (p.a.)	2025	2024
Short-term loans for working fund requirements	Unsecured and payable in full within one (1) year	7.00% to 8.85%	₱2,411,354,634	2,351,281,667
Long-term loans for working fund requirements	Unsecured and payable in full in 2026 and 2027	8.09% to 8.63%	2,215,500,000	—
Long-term loans for working fund requirements	Payable from 2025 to 2028; secured by an unregistered real estate mortgage over commercial units and parking spaces of Arya Residences	7.53% to 8.12%	669,152,483	997,234,025
Long-term loans for working fund requirements	Unsecured revolving credit line and payable in full upon maturity	7.50%	350,000,000	350,000,000
Project Development and Land Acquisitions	Payable on a quarterly basis starting 2028 to 2030; secured by ACPT office and parking units with carrying amount of ₱8,052.7 million (see Note 8), and a debt service reserve account amounting to ₱25.9 million as at December 31, 2025 (see Note 11)	7.13%	1,488,809,680	—
Development of Green Projects	Payable on a quarterly basis starting 2028 to 2030; secured by real estate mortgage over office units and parking spaces of Cebu Exchange Tower Properties and a debt service reserve account amounting to ₱19.3 million as at December 31, 2025 (see Note 11)	7.47%	983,725,394	—
Development of Green Projects	Unsecured and payable in full on February 6, 2025	6.35%	—	998,665,566
Construction of ACPT	Payable on a quarterly basis starting 4th quarter of 2020 until July 2025; secured by ACPT office units with carrying amount of ₱7,200.4 million as at December 31, 2024 (see Note 8), and an escrow account amounting to ₱208.9 million as at December 31, 2024 (see Note 11)	5.50%	—	598,427,817
			₱8,118,542,191	₱5,295,609,075

Development of Green Projects

In 2020, the Company entered into a term loan agreement of ₱1,000.0 million with a local bank to obtain financing for the eligible green projects of the Company and its subsidiaries, including land banking, investments and refinancing in relation to eligible green projects. Drawdown of ₱1,000.0 million has also been made in 2020. The Company is required to submit a disbursement report to the bank soon after the date the proceeds has been utilized to confirm that the proceeds have been used for the eligible green projects. The loan was fully settled in February 2025.

In 2025, the Company entered into a sustainability-linked loan agreement of ₱1,000.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes.

The loan is secured by a real estate mortgage over the Cebu Tower Exchange Tower properties of ALCO's subsidiary and by a debt service reserve account (DSRA). The DSRA is required to be maintained at an amount at least equal to the principal amortization and interest due on the immediately succeeding payment date.

The Company is required to maintain a debt-to-equity ratio of not more than 2.0x and current ratio of not less than 1.5x on an annual consolidated basis. As of December 31, 2025 and 2024, the Company has current ratio of 1.9x and 1.6x, respectively and debt-to-equity ratio of 1.5x and 1.4x, respectively, based on its consolidated financial statements, which is compliant with the financial covenants.

Construction of ACPT

In 2015, the Company entered into an Omnibus Loan and Security Agreement (OLSA) for a credit line of ₱2,000.0 million, to partially finance the cost of construction and development of the ACPT. The outstanding loan balance is secured by the ACPT building and a security trust agreement covering the maintenance of revenue and operating accounts, project receivables and project agreements.

The Company is required to maintain a current ratio of at least 1.5x and a debt-to-equity ratio of not more than 2.0x on a consolidated basis. For the year ended December 31, 2024, 2023 and 2022, the Company was fully compliant with these debt covenants. The loan was fully settled in July 2025.

Project Development and Land Acquisitions

In 2025, the Company entered into a sustainability-linked loan agreement of ₱1,500.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes.

The outstanding balance of the loan is secured by ACPT units and an unregistered real estate mortgage over ACPT parking slots and by a debt service reserve account (DSRA). The DSRA is required to be maintained at an amount at least equal to the principal amortization and interest due on the immediately succeeding payment date.

The Company is required to maintain a current ratio of at least 1.5x and a debt-to-equity ratio of not more than 2.0x based on a consolidated basis. As at December 31, 2025, the Company was fully compliant with these debt covenants.

Interest Expense

Total interest expense charged under "Finance costs" consists of the following (see Note 18):

	Note	2025	2024	2023
Interest expense on:				
Loans payable		₱574,763,914	₱443,762,626	₱357,392,716
Bonds payable	14	279,327,339	455,140,810	465,794,610
Lease liability	12	4,187,296	1,680,456	—
		₱858,278,549	₱900,583,892	₱823,187,326

14. Bonds Payable

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
Bonds payable	₱3,000,000,000	₱6,000,000,000
Unamortized debt issue cost	(34,245,835)	(44,467,581)
	2,965,754,165	5,955,532,419
Less current portion of bonds payable	–	3,000,000,000
Long-term portion of bonds payable	₱2,965,754,165	₱2,955,532,419

Movements in debt issue costs in 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	₱44,467,581	₱58,477,587
Amortization	(10,221,746)	(14,010,006)
Balance at end of year	₱34,245,835	₱44,467,581

In October 2019, ALCO's BOD approved the registration of ₱6.0 billion fixed rate ASEAN Green Bonds, with an initial tranche of ₱2.0 billion and an oversubscription option of up to ₱1.0 billion. The SEC approved the registration in January 2020, and ALCO issued the initial tranche on February 6, 2020. These bonds have a five-year term ending on February 6, 2025, a fixed interest rate of 6.35% p.a., and an early redemption option in the 3rd and 4th years. This was fully redeemed in February 2025.

In October 2022, the BOD approved the second tranche of up to ₱3.0 billion. The SEC approved the offer supplement in December 2022 for ₱2.4 billion with an oversubscription of up to ₱0.6 billion. These bonds have a five-year term with a fixed interest rate of 8.00% p.a. and an early redemption option in the 3rd and 4th years, and a seven-year term with a fixed interest rate of 8.75% p.a. and an early redemption option in the 5th and 6th years. Proceeds will fund eligible green projects and repay certain outstanding loans.

The Company is required to maintain debt to equity ratio of not more than 2.0x and current ratio of at least 1.5x based on its consolidated financial statements. As at December 31, 2025 and 2024, the Company is compliant with these financial ratios.

Interest expense incurred on the bonds amounted to ₱279.3 million in 2025, ₱455.1 million in 2024 and ₱465.8 million in 2023 (see Note 13).

15. Equity

As at December 31, 2025 and 2024, the Company's capital stock amounted to ₱1,005.0 million. This consists of common and preferred shares amounting to ₱957.3 million and ₱47.5 million, respectively.

The details of the Company's common and preferred shares follow:

	2025		2024	
	Preferred	Common	Preferred	Common
Authorized	80,000,000	16,368,095,199	80,000,000	16,368,095,199
Par value per share	₱1.00	₱0.18	₱1.00	₱0.18
Issued	47,464,860	5,318,095,199	47,464,860	5,318,095,199
Outstanding	37,464,860	5,318,095,199	37,464,860	5,318,095,199

Common Shares

As at December 31, 2025 and 2024, the Company has issued and outstanding common shares of 5,318.1 million at ₱0.18 par value equivalent to ₱957.3 million.

Preferred Shares

The Company's Series A, Series C, Series D, Series E and Series F preferred shares are cumulative, nonvoting, nonparticipating and nonconvertible. The movements and details of the issued and outstanding preferred shares are as follows:

	2025		2024	
	Number of shares	Amount	Number of shares	Amount
Balances at beginning of year	47,464,860	₱47,464,860	48,500,000	₱48,500,000
Issuance during the year	—	—	18,964,860	18,964,860
Cancellation during the year	—	—	(20,000,000)	(20,000,000)
Balances at end of year	47,464,860	47,464,860	47,464,860	47,464,860
Treasury shares	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Outstanding	37,464,860	₱37,464,860	37,464,860	₱37,464,860

In 2016, ALCO issued 12,500,000 cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Series A Preferred Shares with ₱1 par value a share to MPI. On August 14, 2024, the Company issued to MPI 14.0 million Series E Preferred Shares with a selling price of ₱1 per share for ₱14.0 million.

Also in 2016, the Company made a follow-on offering of 20.0 million cumulative, nonvoting, nonparticipating, and nonconvertible Peso-denominated Series B Preferred Shares with ₱1 par value a share at the issuance price of ₱100 a share.

In June 2019, the Company made a follow-on offering of 10.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Series C Preferred Shares with ₱1 par value a share at the issuance price of ₱100 a share. Excess of the proceeds over the total par value amounting to ₱990.0 million and transaction costs of ₱12.5 million were recognized as addition and reduction to additional paid-in capital, respectively.

On December 3, 2021, the Company made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Series D Preferred Shares with ₱1 par value a share at the issuance price of ₱500 a share. Excess of the proceeds over the total par value amounting to ₱2,994.0 million and transaction costs of ₱29.6 million were recognized as addition and reduction to additional paid-in capital, respectively.

In May 2024, the redemption of Series C Preferred Shares of the Company was approved. The Company redeemed the 10.0 million preferred shares at a redemption price of ₱100 per share, plus accrued and any unpaid cash dividends due to them on redemption date June 27, 2024. Accordingly, the Company recognized treasury shares amounting to ₱1,000.0 million.

On August 14, 2024, the Company obtained the approval from SEC to amend its Articles of Incorporation (AOI) to increase its authorized capital stock by ₱50.0 million. This was applied on December 13, 2023. Following the approval, the Company cancelled the 20.0 million Series B Preferred Shares with a selling price of ₱100 per share for ₱2,000.0 million.

In November 2024, the Company made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Series F Preferred Shares with ₱1 par value a share at the issuance price of ₱500 a share. The Company has issued and outstanding Series F Preferred Shares of 5.0 million for ₱2,482.4 million. Excess of the proceeds over the total par value amounting to ₱2,477.5 million and transaction costs of ₱30.1 million were recognized as addition and reduction to additional paid-in capital, respectively.

On January 22, 2025, the BOD approved the proposal to amend the Article Seventh of the AOI by decreasing the Company's authorized capital stock by ₱10.0 million. This corresponds to the redemption of Series C Preferred Shares on June 27, 2024. On March 18, 2026, the Company obtained the approval from SEC to amend its AOI to decrease its authorized capital stock.

Common and Preferred Shares Listed with PSE

The details and movement of the Company's common and preferred shares listed with PSE follows:

Date of SEC Approval	Type of Issuance	No. of Shares Issued (Redeemed)	Issue/Offer Price
1996	Initial public offering	351,000,000	₱1.0
1998	Payment of subscription	256,203,748	1.0
1999	Stock dividends	410,891,451	1.0
2009	Payment of subscription	628,770,000	0.2
2010	Payment of subscription	100,000,000	0.2
2011	Payment of subscription	2,200,000,000	0.2
2016	Public offering of Series "B" preferred shares	20,000,000	100.0
2019	Public offering of Series "C" preferred shares	10,000,000	100.0
2021	Public offering of Series "D" preferred shares	6,000,000	500.0
2021	Redemption of Series "B" preferred shares	(20,000,000)	100.0
2024	Redemption of Series "C" preferred shares	(10,000,000)	100.0
2024	Public offering of Series "F" preferred shares	4,964,860	500.0

The Company has 1,903 and 1,908 common stockholders as at December 31, 2025 and 2024, respectively.

Dividend Declaration

The Company's BOD and stockholders approved the following cash dividends to preferred and common stockholders:

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 22, 2025	February 7, 2025	March 3, 2025	Series D preferred shares	₱45,000,000	₱7.5000
March 26, 2025	April 15, 2025	May 14, 2025	Series F preferred shares	45,465,705	9.1575
May 7, 2025	May 22, 2025	June 3, 2025	Series D preferred shares	45,000,000	7.5000
June 27, 2025	July 15, 2025	August 8, 2025	Common shares	63,817,145	0.0120
June 27, 2025	July 21, 2025	August 14, 2025	Series F preferred shares	45,465,705	9.1575
August 6, 2025	August 20, 2025	September 3, 2025	Series D preferred shares	45,000,000	7.5000
August 6, 2025	October 21, 2025	November 14, 2025	Series F preferred shares	45,465,705	9.1575
October 29, 2025	November 13, 2025	December 3, 2025	Series D preferred shares	45,000,000	7.5000
				₱380,214,260	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 31, 2024	March 1, 2024	March 27, 2024	Series C preferred shares	₱17,319,000	₱1.7319
January 31, 2024	February 8, 2024	March 3, 2024	Series D preferred shares	45,000,000	7.5000
May 8, 2024	June 3, 2024	June 27, 2024	Series C preferred shares	17,319,000	1.7319
May 8, 2024	May 23, 2024	June 3, 2024	Series D preferred shares	45,000,000	7.5000
June 28, 2024	July 19, 2024	August 9, 2024	Common shares	63,817,142	0.0120
August 6, 2024	August 23, 2024	September 3, 2024	Series D preferred shares	45,000,000	7.5000
November 5, 2024	November 19, 2024	December 3, 2024	Series D preferred shares	45,000,000	7.5000
December 11, 2024	January 21, 2025	February 14, 2025	Series F preferred shares	45,465,705	9.1575
				₱323,920,847	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
October 25, 2023	November 29, 2023	December 27, 2023	Series C preferred shares	₱17,319,000	₱1.7319
October 25, 2023	November 13, 2023	December 4, 2023	Series D preferred shares	45,000,000	7.5000
August 2, 2023	September 4, 2023	September 28, 2023	Series C preferred shares	17,319,000	1.7319
August 2, 2023	August 16, 2023	September 4, 2023	Series D preferred shares	45,000,000	7.5000
June 30, 2023	July 17, 2023	August 10, 2023	Common Shares	63,817,142	0.0120
May 3, 2023	June 1, 2023	June 27, 2023	Series C preferred shares	17,319,000	1.7319
May 3, 2023	May 17, 2023	June 5, 2023	Series D preferred shares	45,000,000	7.5000
January 25, 2023	March 1, 2023	March 27, 2023	Series C preferred shares	17,319,000	1.7319
January 25, 2023	February 8, 2023	March 3, 2023	Series D preferred shares	45,000,000	7.5000
				₱313,093,142	

Stock Options

In ALCO's annual meeting on 16 October 2009, stockholders approved the 2009 ALCO Stock Option Plan, allowing the issuance of up to 10% of ALCO's total outstanding capital stock equivalent to 531,809,519 shares. The plan was administered by the Stock Option and Compensation Committee, composed of three directors, one of whom is independent. Eligible participants include Board members (excluding independent directors), the President and CEO, corporate officers, managerial employees, and executive officers of subsidiaries or affiliates. The Committee has the authority to determine grant recipients, exercise prices (not below par value), grant timing, and share allocation based on performance evaluations.

The option period spans three years, with vesting as follows: up to 33.33% within the first 12 months, up to 33.33% from the 13th to the 24th month, and up to 33.33% from the 25th to the 36th month. On the exercise date, the full purchase price must be paid, or as decided by the Committee. In 2010, 164.8 million options were granted, but none were exercised until the expiration of the option period in October 2012.

On 14 December 2018, the Board approved granting up to 90 million options at ₱0.85 per share based on performance evaluation of the grantees. On 25 March 2020, the option price was reduced to ₱0.50 per share.

As at December 31, 2025 and 2024, none of the qualified employees have exercised their options. The Group's stock options have already expired as at December 31, 2025 and 2024.

The carrying amount of unexercised stock options amounted to ₱7.2 million as at December 31, 2025 and 2024.

Use of Proceeds

Green Bonds - Second Tranche

The gross proceeds from the offer of the second tranche of the bonds amounted to ₱3,000.0 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

On August 6, 2025, the BOD approved the reallocation of the use of proceeds of the bonds effective September 5, 2025, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	760.0	930.3
ACPT Loan and Others	225.0	225.0
Project Olive	370.3	—
Project Teal	—	200.0
Total	₱2,949.0	₱2,949.0

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱—
Project Vanilla	1,120.0	930.3	930.3	—
Project Olive	1,378.0	—	—	—
Project Teal	—	200.0	50.0	150.0
ACPT Loan and Others	276.0	225.0	225.0	—
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the bonds effective March 20, 2026, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	930.3	1,080.3
ACPT Loan and Others	225.0	225.0
Project Teal	200.0	50.0
Total	₱2,949.0	₱2,949.0

Series F Preferred Shares

The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,451.5 million.

On March 26, 2025, the BOD approved the reallocation of the use of proceeds of the Preferred Shares Series F effective April 25, 2025, as follows (amounts in millions):

Purpose	Actual Net Proceeds	Proposed Reallocation
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0
Project Teal	1,140.0	821.5
ACPT Loan and Others	311.5	200.0
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	—	200.0
Investment into Bhavya to Fund Project Eluria	—	30.0
General Corporate Purposes	—	200.0
Total	₱2,451.5	₱2,451.5

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at December 31, 2025	Balance for Disbursement as at December 31, 2025
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱—
Project Teal	1,140.0	821.5	821.5	—
ACPT Loan and Others	342.4	200.0	200.0	—
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	—	200.0	200.0	—
Investment into Bhavya to Fund Project Eluria	—	30.0	30.0	—
General Corporate Purposes	—	200.0	200.0	—
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱—

16. Cost of Services

Cost of services amounted to ₱123.6 million, ₱112.8 million and ₱97.8 million in 2025, 2024 and 2023, respectively.

Personnel costs are classified as:

	Note	2025	2024	2023
Cost of services		₱123,607,225	₱112,791,416	₱97,827,257
Operating expenses	17	280,937,504	264,464,403	189,681,301
		₱404,544,729	₱377,255,819	₱287,508,558

Personnel costs consist of:

	Note	2025	2024	2023
Salaries and other employee benefits		₱375,686,804	₱353,192,660	₱270,884,081
Retirement benefits expense	21	28,773,895	24,063,159	16,624,477
		₱404,460,699	₱377,255,819	₱287,508,558

17. Operating Expenses

Operating expenses are classified as follows:

	2025	2024	2023
Administrative	₱548,369,554	₱492,690,297	₱404,520,079
Selling and marketing	13,390,827	17,025,033	18,367,277
	₱561,760,381	₱509,715,330	₱422,887,356

Details of operating expenses by nature are as follows:

	Note	2025	2024	2023
Personnel costs	16	₱280,937,504	₱264,464,403	₱189,681,301
Taxes and licenses		66,346,816	61,840,809	72,974,746
Depreciation and amortization	9	45,194,619	36,631,767	33,639,346
Repairs and maintenance		35,644,477	14,357,422	6,737,493
Communication and office expenses		26,298,944	31,335,362	37,730,388
Outside services		18,543,171	12,984,669	11,128,205
Insurance		17,628,839	14,061,310	14,485,495
Transportation and travel		17,127,149	16,647,808	17,523,130
Management and professional fees		16,802,899	25,322,933	17,212,676
Advertising		7,734,531	11,686,349	13,221,219
Commissions		5,656,296	5,338,684	5,146,058
Others		23,845,136	15,043,814	3,407,299
		₱561,760,381	₱509,715,330	₱422,887,356

Others mainly pertains to utilities, dues and fees, and fines and penalties.

18. Finance Costs

This account consists of:

	Note	2025	2024	2023
Interest expense	13	₱858,278,549	₱900,583,892	₱823,187,326
Bank charges		19,523,089	2,515,028	1,449,592
		₱877,801,638	₱903,098,920	₱824,636,918

19. Other Income - Net

This account consists of:

	Note	2025	2024	2023
Interest income	4	₱488,501,045	₱375,687,922	₱382,004,220
Gain on assignment of advances	10	204,831,916	–	–
Realized gains on disposals of financial assets at FVPL	5	65,484,319	46,952,211	26,739,011
Unrealized holding gains (losses) on financial assets at FVPL	5	354,208	11,570,014	(1,741,646)
Dividend income	20	–	619,000,000	556,414,000
Gain on sale of property		–	48,419,719	–
Write-off of due from related parties		–	(36,052,873)	–
Provision for ECL	11	–	(16,002,600)	–
Gain (loss) on disposal of property and equipment	9	–	4,457,347	(857,717)
Unrealized foreign exchange gains		–	545,675	3,761,137
Others		16,314,377	22,260,716	2,513,929
		₱775,485,865	₱1,076,838,131	₱968,832,934

On February 2, 2024, the Company entered into a property conveyance agreement for additional consideration of the transferred area subject to a deed of dacion executed in 2018. This resulted to a gain of ₱48.4 million.

On December 11, 2024, the BOD approved the amendment on the share purchase agreement where the Company shall no longer collect from CPG the amount of ₱36.1 million due to the considerable length of time the complaint has been pending involving the property owned by UPHI, which includes, among others, removing all doubt on the ownership of UPHI over the property. The amendment resulted to the write off of the receivable from CPG.

On December 23, 2025, the Company assigned 40% of its advances to ZLDC amounting to ₱216.0 million for the purchase price of ₱420.8 million. This resulted to a gain of ₱204.8 million (see Note 10).

Others include income from penalties of late rental payments, write-off of liabilities, and commissions.

20. Related Party Transactions

The Company has transactions with its related parties in the ordinary course of business as follows:

	Nature of Transaction	Note	Transactions during the Year		Outstanding Balance	
			2025	2024	2025	2024
Advances to Subsidiaries		10				
<i>Subsidiaries</i>	Advances for working capital		₱2,120,068,494	₱347,439,670	₱5,829,711,955	₱5,448,121,905
	Allowance for ECL		—	—	(3,261,249)	(3,261,249)
					₱5,826,450,706	₱5,444,860,656
Trade Receivables		6				
<i>Subsidiaries</i>	Project management and developer's fees		₱1,347,478,741	₱136,715,750	₱1,542,975,891	₱118,406,280
	Service fees		50,000,000	—	55,000,000	—
					₱1,597,975,891	₱118,406,280
Interest Receivable		6				
<i>Subsidiaries</i>	Interest on advances for working capital		₱421,807,844	₱150,347,464	₱1,025,185,364	₱768,639,382
Nontrade Receivables		6				
<i>Subsidiaries</i>	Advertising		₱176,028,196	₱—	₱127,371,710	₱—
	Working capital requirements		68,563,790	181,944,092	89,959,954	198,415,722
					₱217,331,664	₱198,415,722
Dividend Receivable		6				
<i>Subsidiaries</i>	Dividends income		₱—	₱619,000,000	₱25,000,000	₱535,000,000
Due from Related Parties		6				
<i>Entity under common management</i>	Advances for working capital		₱—	₱—	₱4,871,340	₱4,871,340
Advances from Subsidiaries						
<i>Subsidiaries</i>	Advances for working capital		₱—	₱34,178	₱284,632,299	₱284,632,299
Accounts Payable						
<i>Subsidiaries</i>	Lease proceeds from CLS program	12	₱67,145,323	₱—	₱71,845,496	₱—
	Advances for working capital		3,007,680	4,939,913	2,259,410	673,645
	Customer payments collected by ALCO on behalf of the Company		643,668	87,312	643,668	954,925
					₱74,748,574	₱1,628,570
Subscription Payable		12				
<i>Subsidiaries</i>	Subscription of preferred shares		₱—	₱—	₱18,750,000	₱56,250,000
Dividends Payable		12				
<i>Stockholders</i>	Dividends declared		₱380,214,260	₱323,920,847	₱4,396,992	₱51,132,727

Advances for Working Capital

Outstanding balances of advances for working capital are unsecured, collectible or payable on demand and to be settled in cash. These are non-interest bearing, except for advances to CLLC, KHI, Bhavana, Bhavya, Cazneau, SLDC, SLC, and FLC which bears interest ranging from 3.5% to 10% in 2025 and 3.5% in 2024.

In December 2025, the Company entered into an agreement with Cazneau to reclassify Cazneau's unpaid interest balance amounting to ₱152.6 million as additional advances, which will likewise earn interest at a rate of 10%.

The Company's allowance for ECL on advances to subsidiaries amounted to ₱3.3 million as at December 31, 2025 and 2024 (see Note 10).

Project Management and Developer's Fees

As of December 31, 2025 and 2024, the Company has ongoing agreements to provide management services for the development and construction of various projects. These include FLC's Project Vanilla (entered in 2025), SLC's Project LIV (entered in 2024), ZLDC's Project Sondris (entered in 2024), Cazneau's Sevina Park (entered in 2021).

In 2025, the Company executed a Memorandum of Agreement with CLLC, confirming the Company's continued appointment as project development manager for the Cebu Exchange Project for the period December 1, 2022 to January 4, 2023 and appointing the Company as asset manager of specified units and parking slots.

Outstanding balances for these agreements are non-interest bearing, unsecured, and payable in cash within 30 days, except for ZLDC which will be collectible starting 2027.

Advertising

These pertain to fees for the services rendered by the Company's employees on behalf of its subsidiaries to provide assistance on selling and marketing campaign. Outstanding balances are unsecured, noninterest bearing, payable on demand and to be settled in cash.

Service fees

In 2025, the PLI paid ALCO a one-time service fee for its services related to the Company's intention to acquire parcels of land on which the project will be developed. The outstanding balance is non-interest bearing, unsecured, and payable on demand.

Consolidated Leasing Solutions (CLS) Program

Lease proceeds from the CLS Program represent lease payments collected by ALCO on behalf of unit owners. Under the CLS Program, the Company acts as the exclusive leasing representative of enrolled unit owners and collects lease rentals on their behalf. The outstanding balance under this arrangement is non-interest bearing, unsecured, and collectible within 30 days.

Compensation of Key Management Personnel

The compensation of key management personnel are as follows:

	2025	2024	2023
Salaries and other employee benefits	₱145,175,707	₱154,490,888	₱127,231,751
Retirement benefits expense	14,950,414	20,193,519	16,366,953
	₱160,126,121	₱174,684,407	₱143,598,704

21. Net Retirement Liability

The Company has a funded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The normal retirement age is 60 with a minimum of five (5) years of credited service. The plan also provides for an early retirement at age 50 with minimum of five (5) years of credited service or late retirement after age 60, both subject to the approval of the Company's BOD.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

There are no unusual or significant risks to which the retirement liability exposes the Company. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Company.

The following tables summarize the components of retirement benefit costs recognized in the separate statements of comprehensive income for the year ended December 31, 2025 based on the report of an independent actuary dated January 9, 2026:

Breakdown of retirement benefits expense is as follows (see Note 16):

	2025	2024	2023
Current service cost	₱27,480,690	₱24,602,850	₱18,970,377
Net interest cost (income)	1,293,205	(592,177)	(2,641,753)
Interest on the effect of the asset ceiling	—	52,486	295,853
	₱28,773,895	₱24,063,159	₱16,624,477

The movements of net retirement liability recognized in the separate statements of financial position are as follows:

	2025	2024
Balance at beginning of year	₱19,442,830	(₱14,151,768)
Current service cost	27,480,690	24,602,850
Net interest cost (income)	1,293,205	(539,691)
Remeasurement losses (gains) on:		
Change in financial assumptions	(6,122,862)	(1,521,160)
Return on plan assets	1,846,302	2,413,192
Experience adjustments	432,179	9,553,736
Effect of asset ceiling	—	(914,329)
Balance at end of year	₱44,372,344	₱19,442,830

The funded status and amounts recognized in the separate statements of financial position for the net retirement liability as at December 31, 2025 and 2024 are as follows:

	2025	2024
Present value of retirement liability	₱187,182,014	₱158,558,728
Fair value of plan assets	(142,809,670)	(139,115,898)
	₱44,372,344	₱19,442,830

As at December 31, 2025, based on the latest actuarial valuation prepared in accordance with PAS 19, the present value of the defined benefit obligation exceeded the fair value of plan assets, resulting in a net defined benefit liability of ₱44.4 million.

Changes in the present value of retirement liability are as follows:

	2025	2024
Balance at beginning of year	₱158,558,728	₱128,667,171
Current service cost	27,480,690	24,602,850
Interest cost	9,798,929	7,835,831
Benefits paid from plan assets	(2,965,650)	(10,579,700)
Remeasurement losses (gains) on:		
Experience adjustments	432,179	9,553,736
Change in financial assumptions	(6,122,862)	(1,521,160)
Balance at end of year	₱187,182,014	₱158,558,728

Changes in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	₱139,115,898	₱143,680,782
Benefits paid from plan assets	(2,965,650)	(10,579,700)
Interest income	8,505,724	8,428,008
Remeasurement loss on return on plan assets	(1,846,302)	(2,413,192)
Balance at end of year	₱142,809,670	₱139,115,898

Plan assets are primarily composed of cash and unit investment trust accounts and do not comprise any of the Company's own financial instruments or any of its assets occupied and/or used in operations. There is no expected contribution to the fund in the next financial year.

The composition of plan assets is as follows:

	2025	2024
Cash and cash equivalents	65.0%	63.3%
Unit investment trust funds	34.9%	35.1%
Other assets	0.1%	1.6%
Balance at end of year	100.0%	100.0%

The cumulative remeasurement gains (losses) on net retirement asset or liability recognized in OCI as at December 31 are as follows:

	2025		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱46,386,135	₱11,596,534	₱34,789,601
Remeasurement gain	3,844,381	961,095	2,883,286
Balance at end of year	₱50,230,516	₱12,557,629	₱37,672,887

	2024		
	Cumulative Remeasurement Gains (Losses)	Deferred Tax (see Note 23)	Net
Balance at beginning of year	₱55,917,574	₱13,979,393	₱41,938,181
Remeasurement loss	(9,531,439)	(2,382,859)	(7,148,580)
Balance at end of year	₱46,386,135	₱11,596,534	₱34,789,601

The principal assumptions used for the purpose of the actuarial valuation are as follows:

	2025	2024
Discount rate	6.50%	6.18%
Salary projection rate	6.00%	6.00%
Average remaining service years	22.6	22.1

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31, 2025 and 2024 are presented below.

		Effect on Present Value of Retirement Liability	
	Change in Assumption	Discount Rate	Salary Projection Rate
December 31, 2025	+1%	(₱17,112,552)	₱20,229,821
	-1%	20,333,459	(17,336,810)
December 31, 2024	+1%	(15,408,175)	18,184,778
	-1%	18,338,115	(15,566,899)

The expected future benefit payments within the next ten (10) years are as follows:

Financial Year	Amount
2026	₱47,573,033
2027	4,955,734
2028	5,768,652
2029	30,313,615
2030	7,557,888
2031-2035	89,663,151

The weighted average duration of the retirement benefit obligation as at December 31, 2025 and 2024 are 10 years and 10.6 years, respectively.

22. Lease Commitments

Operating Lease Commitments - Company as a Lessor

The Company entered into various non-cancellable lease agreements in ACPT for periods ranging from five (5) years to 10 years. The lease contracts do not provide for any contingent rent.

Leasing revenues and related balances arising from the Company's operating lease commitments are as follows:

	Note	2025	2024
Leasing revenue	8	₱370,832,397	₱355,996,794
Trade receivables	6	77,807,040	137,904,929
Accrued rent receivable	6	13,128,794	10,343,183
Advance rent receivable	12	50,535,049	54,424,445
Security deposits	12	119,372,512	117,257,054

The future minimum lease payments to be received under non-cancellable operating leases as at December 31 are as follows:

	2025	2024
Within one (1) year	₱233,617,970	₱236,747,313
After one (1) year but not more than five (5) years	442,707,650	479,383,851
	₱676,325,620	₱716,131,164

Operating Lease Commitments - Company as a Lessee

The Company's short-term and low value operating leases amounted to ₱0.9 million, ₱0.4 million and ₱0.3 million in 2025, 2024, and 2023, respectively.

23. Income Taxes

The components of provision for (benefit from) income tax are as follows:

	Note	2025	2024	2023
Reported in Profit or Loss				
Current income tax:				
Final taxes		₱28,768,109	₱54,346,177	₱50,828,138
MCIT		40,268,046	12,788,911	5,286,924
Gross income tax (GIT)		4,795,018	5,217,775	5,487,544
		73,831,173	72,352,863	61,602,606
Deferred tax expense (benefit)		457,500,359	7,998,426	(142,668,009)
		₱531,331,532	₱80,351,289	(₱81,065,403)
Reported in OCI				
Deferred tax benefit (expense) related to remeasurement gains or losses on net retirement liability	21	(₱961,095)	₱2,382,859	₱1,320,560

PEZA Registration

ACPT is registered with the PEZA as an Ecozone Facilities Enterprise (see Note 1). The scope of its registered activity is limited to development, operation and maintenance of an economic zone.

Under the PEZA Registration Agreement, ACPT is entitled to:

- 5% GIT, in lieu of all national and local taxes; and
- Tax and duty-free importation of capital equipment required for the technical viability and operation of the registered facilities or activities.

Any income from activities of ACPT outside the PEZA-registered activities is subject to RCIT or MCIT whichever is higher at the rate of 25% and 2%, respectively, in 2025 and 2024.

Deferred Tax Assets and Deferred Tax Liabilities

The components of the Company's recognized deferred tax assets and deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets:		
NOLCO	₱390,398,296	₱651,803,510
Retirement liability	25,798,021	22,573,620
Excess MCIT over RCIT	58,343,881	22,058,909
Advance rent	10,726,568	11,009,177
Allowance for impairment loss	4,437,348	4,437,348
Effect of PFRS 16	544,454	165,258
	490,248,568	712,047,822
Deferred tax liabilities:		
Cumulative gain on change in fair value of investment properties	1,430,685,682	1,202,487,461
Depreciation of investment properties	52,553,859	44,684,624
Transfer of fair value to property and equipment	9,659,545	9,884,186
Capitalized debt issue cost	7,461,936	7,634,466
Accrued rent receivable	4,803,304	3,821,763
Unrealized foreign exchange gains	1,087,079	1,076,703
	1,506,251,405	1,269,589,203
Net deferred tax liabilities	₱1,016,002,837	₱557,541,381

NOLCO and Excess MCIT over RCIT

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Incurred	Application	Expired	Balance	Valid Until
2024	₱731,089,305	₱—	₱—	₱—	₱731,089,305	2027
2023	830,503,878	—	—	—	830,503,878	2026
2022	449,215,054	—	(17,766,744)	(431,448,310)	—	2025
2021	189,871,601	—	(189,871,601)	—	—	2026
2020	406,534,201	—	(406,534,201)	—	—	2025
	₱2,607,214,039	₱—	(₱614,172,546)	(₱431,448,310)	₱1,561,593,183	

Under Republic Act No. 11494, also known as "Bayanihan to Recover As One Act" and Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2020 and 2021 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of the Company's excess MCIT over RCIT are as follows:

Year Incurred	Amount	Additions	Expired	Balance	Valid Until
2025	₱—	₱40,268,046	₱—	₱40,268,046	2028
2024	12,788,911	—	—	12,788,911	2027
2023	5,286,924	—	—	5,286,924	2026
2022	3,983,074	—	(3,983,074)	—	2025
	₱22,058,909	₱40,268,046	(₱3,983,074)	₱58,343,881	

The reconciliation between the income tax computed based on statutory income tax rate and the provision for (benefit from) income tax reported in the separate statements of comprehensive income is as follows:

	2025	2024	2023
Income tax computed at statutory tax rate	₱445,916,269	₱246,917,710	₱82,874,043
Add (deduct) tax effects of:			
Expired NOLCO	107,862,078	—	—
Difference in income and statutory rates	(25,013,185)	(25,091,619)	(24,893,077)
Nondeductible expenses	5,200,507	23,604,534	15,068,921
Expired MCIT	3,983,074	—	—
Interest income subjected to final tax	(3,334,660)	(11,267,023)	(11,404,520)
Taxable rent	(2,252,388)	13,805,758	10,262,838
Realized gain on disposals of financial assets at FVPL subjected to final tax	(941,611)	(2,459,967)	(1,474,693)
Unrealized holding losses (gains) on financial assets at FVPL	(88,552)	(2,892,504)	435,412
Dividend income	—	(154,750,000)	(139,103,500)
Stock issuance costs	—	(7,515,600)	—
Change in unrecognized deferred tax assets	—	—	(12,830,827)
	₱531,331,532	₱80,351,289	(₱81,065,403)

24. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes:

	2025						
	Balances at Beginning of Year	Financing Cash Flows		Declaration/ (Disposals)	Noncash Transactions		Balances at End of the Year
		Availments	Payments		Amortization of Debt Issue Cost	Interest Expense	
Loans payable	₱5,295,609,075	₱10,692,256,698	(₱7,877,710,184)	₱—	₱8,386,602	₱—	₱8,118,542,191
Bonds payable	5,955,532,419	—	(3,000,000,000)	—	10,221,746	—	2,965,754,165
Advances from subsidiaries	284,632,299	—	—	—	—	—	284,632,299
Dividends payable	51,132,727	—	(426,949,995)	380,214,260	—	—	4,396,992
Finance costs	72,899,147	—	(837,507,010)	—	(18,608,348)	854,091,253	70,875,042
Lease liability	24,383,034	35,646,000	(15,441,870)	—	—	4,187,296	48,774,460
	₱11,684,188,701	₱10,727,902,698	(₱12,157,609,059)	₱380,214,260	₱—	₱858,278,549	₱11,492,975,149

2024							
	Balances at Beginning of Year	Financing Cash Flows		Noncash Transactions			Balances at End of the Year
		Availments	Payments	Additions/ Declaration	Amortization of Debt Issue Cost	Interest Expense	
Loans payable	₱4,810,948,582	₱5,585,509,167	(₱5,107,040,000)	₱—	₱6,191,326	₱—	₱5,295,609,075
Bonds payable	5,941,522,413	—	—	—	14,010,006	—	5,955,532,419
Advances from subsidiaries	285,896,319	34,178	(1,298,198)	—	—	—	284,632,299
Dividends payable	5,686,177	—	(278,474,297)	323,920,847	—	—	51,132,727
Finance costs	50,771,420	—	(856,574,377)	—	(20,201,332)	898,903,436	72,899,147
Lease liability	—	—	(5,412,582)	28,115,160	—	1,680,456	24,383,034
	₱11,094,824,911	₱5,585,543,345	(₱6,248,799,454)	₱352,036,007	₱—	₱900,583,892	₱11,684,188,701

25. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise of cash and cash equivalents, financial assets at FVPL, receivables (excluding accrued rent receivable), advances to and from subsidiaries, amounts held in escrow, deposits, loans payable, bonds payable and accounts and other payables (excluding statutory payables, advance rent and other payables).

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks as summarized below.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the Company. The Company's exposure to credit risk arises primarily from its trade receivables and other financial assets at amortized cost.

The Company's maximum exposure to credit risk is generally equal to the carrying amount of its financial assets, without taking into account any collateral or other credit enhancements.

The Group manages credit risk through established credit policies, including credit evaluation, approval processes, and ongoing monitoring of receivables.

Trade Receivables

The Company's trade receivables arise primarily from project management and development services rendered to related parties, as well as, to a lesser extent, leasing activities.

The Company applies the simplified approach under PFRS 9 in measuring expected credit losses (ECL), which requires recognition of lifetime ECL for trade receivables. For receivables from related parties, the Company assesses expected credit losses based on the counterparties' financial condition, cash flow projections, historical settlement experience, and other forward-looking information. These receivables are generally unsecured; however, management considers the credit risk to be low due to the related parties' ability to generate sufficient cash flows and the Company's ability to influence their financial and operating policies.

For leasing receivables, the Company considers historical default experience, current conditions, and forward-looking information, and may use a provision matrix in determining expected credit losses. The Company also mitigates credit risk through tenant screening procedures and, where applicable, the collection of security deposits and advance rentals.

Other Financial Assets at Amortized Cost

The Company's other financial assets at amortized cost are composed of cash and cash equivalents, receivables (excluding accrued rent receivable), amounts held in escrow, and advances to subsidiaries.

Credit risk arising from cash and cash equivalents and amounts held in escrow is limited as the Company transacts only with reputable financial institutions with high credit quality. These instruments are considered to have low credit risk, and the Company applies a 12-month ECL approach.

Advances to subsidiaries and related interest receivables are assessed for expected credit losses based on the financial capacity, cash flow projections, and overall financial condition of the subsidiaries. While these balances are generally unsecured, management considers the credit risk to be low given the subsidiaries' ability to meet their obligations and the Company's ability to influence their operating and financing decisions.

Concentration of Credit Risk

The Company's exposure to credit risk is significantly influenced by its transactions with related parties. A substantial portion of the Company's receivables pertains to project management and development services and advances to subsidiaries.

While receivables from leasing activities are diversified across various tenants, the Company has concentration of credit risk with its subsidiaries. Management monitors these exposures on an ongoing basis and assesses the recoverability of the balances based on the subsidiaries' financial performance and expected cash flows.

Information on significant transactions and balances with related parties, including subsequent collections, is disclosed in Note 20 to the financial statements.

Financial Assets at FVPL

The Company's exposure to credit risk from financial assets at FVPL relates to investments in unit investment trust funds (UITFs). These investments are managed by reputable financial institutions and are subject to market risk rather than significant credit risk.

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL.

	2025				
	Financial assets at amortized cost				
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Financial Assets at FVPL	Impairment	Total
Cash and cash equivalents*	₱719,435,969	₱—	₱—	₱—	₱719,435,969
Financial assets at FVPL	—	—	8,387,709	—	8,387,709
Receivables**	1,820,582,754	1,893,114,595	—	1,746,790	3,715,444,139
Advances to subsidiaries	5,826,450,706	—	—	3,261,249	5,829,711,955
Amounts held in escrow	45,162,594	—	—	—	45,162,594
Deposits	41,572,447	—	—	16,002,600	57,575,047
	₱8,453,204,470	₱1,893,114,595	₱8,387,709	₱21,010,639	₱10,375,717,413

*Excluding cash on hand amounting to ₱10,106 as at December 31, 2025.

**Excluding accrued rent receivable under straight-line basis of accounting aggregating to ₱13.1 million as at December 31, 2025.

2024					
	Financial assets at amortized cost			Impairment	Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Financial Assets at FVPL		
Cash and cash equivalents*	₱3,465,807,862	₱—	₱—	₱—	₱3,465,807,862
Financial assets at FVPL	—	—	1,528,745,250	—	1,528,745,250
Receivables**	1,370,883,268	454,726,931	—	1,746,790	1,827,356,989
Advances to subsidiaries	5,444,860,656	—	—	3,261,249	5,448,121,905
Amounts held in escrow	208,946,358	—	—	—	208,946,358
Deposits	72,966,603	—	—	16,002,600	88,969,203
	₱10,563,464,747	₱454,726,931	₱1,528,745,250	₱21,010,639	₱12,567,947,567

*Excluding cash on hand amounting to ₱65,000 as at December 31, 2024.

**Excluding accrued rent receivable under straight-line basis of accounting aggregating to ₱10.3 million as at December 31, 2024.

Financial assets are categorized based on changes in credit risk since initial recognition. Assets with low credit risk are classified under 12-month ECL, while those with significant increase in credit risk are classified under lifetime ECL. The Company considers quantitative and qualitative factors, including aging of receivables and tenant-specific information, in determining whether a significant increase in credit risk has occurred.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to settle its obligations as they fall due.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents, monitoring forecast and actual cash flows, and maintaining adequate unutilized credit facilities from financial institutions. The Company also manages liquidity through the timing of collections from related parties and by accessing external financing, including bank borrowings and capital market issuances, as necessary.

The Company's liquidity position is significantly influenced by its ability to generate cash flows from its subsidiaries, including collections of receivables, dividends, and other intercompany settlements.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2025 and 2024:

2025						
	Due and Payable on Demand	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Loans payable	₱—	₱4,308,457,146	₱1,350,537,500	₱650,000,000	₱1,850,000,000	₱8,158,994,646
Bonds payable	—	—	1,600,000,000	—	1,400,000,000	3,000,000,000
Accounts and other payables*	24,633,353	343,497,239	40,032,712	46,493,213	78,056,289	532,712,806
Advances from subsidiaries	284,632,299	—	—	—	—	284,632,299
	₱309,265,652	₱4,651,954,385	₱2,990,570,212	₱696,493,213	₱3,328,056,289	₱11,976,339,751

*Excluding deferred output VAT, statutory payables, advance rent and other payables aggregating to ₱229.2 million as at December 31, 2025.

2024						
	Due and Payable on Demand	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Loans payable	₱—	₱4,279,406,667	₱521,875,000	₱500,000,000	₱—	₱5,301,281,667
Bonds payable	—	3,000,000,000	—	—	3,000,000,000	6,000,000,000
Accounts and other payables*	23,994,102	535,827,939	7,564,841	5,386,833	4,677,669	577,451,384
Advances from subsidiaries	284,632,299	—	—	—	—	284,632,299
	₱308,626,401	₱7,815,234,606	₱529,439,841	₱505,386,833	₱3,004,677,669	₱12,163,365,350

*Excluding deferred output VAT, statutory payables, advance rent and other payables aggregating to ₱204.2 million as at December 31, 2024

Nature of Financial Liabilities and Timing of Cash Flows

Loans payable represent the Company's primary source of external financing and are obtained to fund working capital requirements, project development, and acquisitions. A significant portion of these loans is due within one year and is expected to be settled through a combination of internally generated cash flows, collections from related parties, and refinancing with existing or new credit facilities.

Bonds payable consist of fixed-rate instruments with bullet repayment terms. The Company manages the liquidity risk associated with these instruments through advance planning of refinancing or repayment strategies prior to maturity. During the year, bonds amounting to ₱3.0 billion matured and were settled.

Accounts and other payables are generally non-interest bearing and are expected to be settled within the normal operating cycle. Certain liabilities such as security deposits and advance rent do not represent immediate cash outflows and are excluded from the maturity analysis as appropriate.

Advances from subsidiaries are generally payable on demand; however, settlement is managed within the group based on overall cash flow requirements.

Liquidity Risk Management

The Company monitors its exposure to a shortage of funds through regular review of its maturity profile of financial liabilities and expected cash inflows from operations and financing activities. The Company prepares cash flow forecasts on a daily and monthly basis to ensure that it has sufficient liquidity to meet its obligations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, capital market issuances, and internally generated funds.

The Company addresses liquidity requirements through:

- Collections from related parties, including receivables, interest, and dividends
- Cash flows generated from leasing and other operations
- Availability of committed credit facilities from banks amounting to ₱8,380.3 million as at December 31, 2025
- Access to capital markets for bond issuances, when necessary

Refinancing Risk

The Company is exposed to refinancing risk arising from its borrowings, particularly loans payable and bonds payable with fixed maturity dates. The Company manages this risk by maintaining good relationships with financial institutions, monitoring market conditions, and initiating refinancing activities sufficiently ahead of maturity dates.

Covenant Compliance

Certain loan agreements and bonds payable require the Company to maintain financial ratios, including a current ratio of at least 1.5x and a debt-to-equity ratio not exceeding 2.0x, based on consolidated financial statements.

As at December 31, 2025 and 2024, the Company is in compliance with these covenants. The Company monitors compliance with these requirements on a regular basis to ensure continued access to financing and to avoid potential acceleration of obligations.

Concentration of Liquidity Risk

The Company's liquidity risk is influenced by its reliance on cash flows from subsidiaries. Delays in collections or dividend remittances from these entities may impact the Company's ability to meet its obligations as they fall due. Management continuously monitors the financial performance and cash flow projections of its subsidiaries to mitigate this risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its borrowings from local banks, which include both fixed-rate and variable-rate instruments.

Borrowings with fixed interest rates expose the Company to fair value interest rate risk, while borrowings with variable interest rates expose the Company to cash flow interest rate risk due to periodic repricing.

As at December 31, 2025, the Company's variable rate borrowings amounted to approximately ₱832.5 million and ₱855.0 million in 2025 and 2024, representing 32% and 62% of the total loans payable in 2025 and 2024, respectively. These borrowings are subject to monthly repricing intervals.

The Company manages its exposure to interest rate risk by maintaining an appropriate mix of fixed and variable rate borrowings, taking into account prevailing market conditions, and by regularly monitoring interest rate movements.

Sensitivity Analysis

The following table demonstrates the sensitivity of the Company's income before tax to a reasonably possible change in interest rates, with all other variables held constant:

	Change in interest rate	Effect on income before tax
December 31, 2025	-0.09%	₱1,560,938
	0.09%	(1,560,938)
December 31, 2024	-0.35%	3,420,000
	0.35%	(3,420,000)

The sensitivity analysis has been determined based on the exposure to variable interest rate borrowings outstanding at the reporting date. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

The assumed changes in interest rates of 0.09% and 0.35% in 2025 and 2024, respectively, represent management's assessment of reasonably possible changes in market interest rates based on observable market data at the reporting date.

A positive change in interest rates would result in an increase in interest expense and a corresponding decrease in income before tax, while a negative change would have the opposite effect.

Capital Management

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders by maintaining an optimal capital structure.

The Company considers its capital to consist of equity as presented in the separate statements of financial position and monitors its capital structure using a combination of equity and interest-bearing debt.

Given the capital-intensive nature of its operations and investments in subsidiaries, the Company utilizes a mix of internally generated funds, borrowings, and capital market issuances to finance its activities.

The Company manages its capital structure in response to changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may adjust dividend payments, issue new shares, refinance or restructure existing borrowings, or dispose of assets to reduce debt.

Capital for the reporting periods under review is summarized as follows:

	2025	2024
Total liabilities	₱13,191,238,587	₱12,894,368,965
Total equity	11,019,196,689	10,144,194,119
Debt-to-equity ratio	1.20:1.00	1.27:1.00

The Company monitors its leverage using debt-to-equity ratio, defined as interest-bearing borrowings and liabilities for deferred purchase price of property and services, divided by total equity and advances from non-controlling interest.

The Company monitors key financial ratios, including liquidity, leverage, profitability, and interest coverage ratios, as part of its overall financial and risk management processes. These ratios are reviewed regularly by management and the Board to assess financial performance, monitor trends, and ensure compliance with financial covenants under its borrowing arrangements.

The Company is subject to externally imposed capital requirements, including the maintenance of specified financial ratios. Management monitors compliance with these requirements on a regular basis to ensure continued access to financing and to avoid potential restrictions or acceleration of obligations. Details of these covenants and the Company's compliance therewith are disclosed in Note 13.

26. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

			2025		
			Fair Value		
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	5	₱8,387,709	₱8,387,709	₱—	₱—
Investment properties	8	8,471,788,203	—	389,230,400	8,082,557,803
Financial assets at amortized cost - Deposits	11	57,575,047	—	—	57,575,047
		₱8,537,750,959	₱8,387,709	₱389,230,400	₱8,140,132,850
Loans payable	13	₱8,118,542,191	₱—	₱7,379,614,744	₱—
Bonds payable	14	2,965,754,165	—	2,434,110,185	—
		₱11,084,296,356	₱—	₱9,813,724,929	₱—
			2024		
			Fair Value		
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	5	₱1,528,745,250	₱1,528,745,250	₱—	₱—
Investment properties	8	7,555,247,291	—	325,642,500	7,229,604,791
Financial assets at amortized cost - Deposits	11	88,969,203	—	—	88,969,203
		₱9,172,961,744	₱1,528,745,250	₱325,642,500	₱7,318,573,994
Loans payable	13	₱5,295,609,075	₱—	₱5,414,699,037	₱—
Bonds payable	14	5,955,532,419	—	6,280,628,403	—
		₱11,251,141,494	₱—	₱11,695,327,440	₱—

The following methods and assumptions were used in estimating the fair value of the Company's financial assets and liabilities:

Financial Assets at FVPL. The fair value of financial assets at FVPL is classified under Level 1 of the fair value hierarchy using quoted market prices.

Investment Properties. The fair value of ACPT, parking lots in Arya Residences and land were determined using discounted cash flow approach and market data approach.

Deposits. Deposits are measured at amortized cost. The fair value of deposits has not been determined using observable market data because management believes that the difference between fair value and carrying amount is not significant. The fair value of utility deposits has been categorized as level 3.

Loans and Bonds Payable. The fair value of the Company's loans and bonds payable were determined by discounting the sum of all future cash flows using the prevailing market rates of interest for instruments with similar maturities. Interest-bearing loans and bonds payable include accrued interest in the estimation of its fair value.

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate fair values as at December 31, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	₱719,446,075	₱3,465,872,862
Receivables*	3,713,697,349	1,825,610,199
Advances to subsidiaries	5,826,450,706	5,444,860,656
Amounts held in escrow	45,162,594	208,946,358
	₱10,304,756,724	₱10,945,290,075
Financial liabilities:		
Accounts and other payables**	₱532,712,806	₱577,451,384
Advances from subsidiaries	284,632,299	284,632,299
	₱817,345,105	₱862,083,683

*Excluding accrued rent receivables aggregating ₱13.1 million and ₱10.3 million as at December 31, 2025 and 2024, respectively.

**Excluding deferred output VAT, statutory payables, advance rent and other payables aggregating ₱229.2 million and ₱204.2 million as at December 31, 2025 and 2024, respectively.

The carrying amounts of the Company's financial assets and liabilities approximate their fair values due to their short-term nature.

There were no transfers between levels of fair value hierarchy in 2025 and 2024.

27. Classification of Separate Statements of Financial Position Accounts

The Company's current portions of its assets and liabilities as at December 31, 2025 and 2024 are as follows:

	Note	2025	2024
Current Assets			
Cash and cash equivalents	4	₱719,446,075	₱3,465,872,862
Financial assets at FVPL	5	8,387,709	1,528,745,250
Receivables	6	3,726,826,143	1,835,953,382
Real estate for sale	7	257,802,525	257,802,525
CWT		645,019,253	474,951,493
Advances to subsidiaries	10	5,826,450,706	5,444,860,656
Other assets*	11	164,961,941	308,569,934
		₱11,348,894,352	₱13,316,756,102

*Excluding deposits and deferred input VAT aggregating to ₱57.8 million and ₱90.0 million as at December 31, 2025 and 2024, respectively.

	Note	2025	2024
Current Liabilities			
Accounts and other payables*	12	₱597,352,537	₱774,825,729
Current portion of loans payable	13	4,308,457,146	4,279,406,667
Current portion of bonds payable	14	–	3,000,000,000
Advances from subsidiaries	20	284,632,299	284,632,299
		₱5,190,441,982	₱8,338,864,695

**Excluding noncurrent portions of security deposits, construction bonds, and lease liabilities aggregating ₱164.6 million and ₱6.8 million as at December 31, 2025 and 2024, respectively.*

28. Events After Reporting Period

Declaration of Cash Dividends

The Company's BOD approved and declared the following cash dividends:

Class of shares	Declaration Date	Stockholders of Record Date	Payment Date	Amount	Dividend per Share
Series F Preferred Shares	January 21, 2026	February 4, 2026	February 16, 2026	₱45,465,705	₱9.1575
Series D Preferred Shares	January 21, 2026	February 11, 2026	March 3, 2026	45,000,000	7.5000
Series F Preferred Shares	April 8, 2026	April 23, 2026	May 14, 2026	45,265,705	9.1575

Reallocation of Use of Proceeds

Green Bonds Second Tranche

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the second tranche of green bonds effective March 20, 2026 (see Note 15).

Approval of Decrease in Authorized Capital Stock

On March 18, 2026, the SEC approved ALCO's application to decrease its authorized capital stock by ₱50.0 million preferred shares (see Note 15).



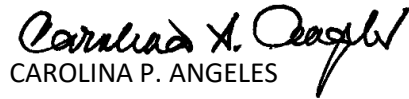
**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

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

We have audited the accompanying separate financial statements of Arthaland Corporation (the Company), as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 on which we have rendered our report dated April 8, 2026.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the Company has 1,884 stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026
Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**

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

We have audited in accordance with Philippines Standards on Auditing, the separate financial statements of Arthaland Corporation (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the separate financial statements taken as a whole. The accompanying Supplementary Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

The schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of the separate financial statements. The supplementary schedule has been subjected to the auditing procedures applied in the audits of the basic separate financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the separate financial statements or to the separate financial statements themselves. In our opinion, the information is fairly stated, in all material respects, in relation to the separate financial statements taken as a whole.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-007-2025

Valid until August 10, 2028

PTR No. 10764005

Issued January 2, 2026, Makati City

April 8, 2026
Makati City, Metro Manila

**PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

ARTHALAND CORPORATION
7/F Arthaland Century Pacific Tower
5th Avenue corner 30th Street
Bonifacio Global City, Taguig City

	Amount
Retained earnings available for dividend declaration as at the beginning of reporting period	₱123,856,758
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	380,214,260
Deficit , as adjusted	(256,357,502)
Add: Net income for the current year	1,252,333,544
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	(₱354,208)
Unrealized fair value gain of investment property	(684,594,662)
Sub-total	(684,948,870)
Sub-total	311,027,172
Add: Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	11,570,014
Sub-total	322,597,186
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(46,763,123)
Retained earnings available for dividend declaration as at the end of reporting period	₱275,834,063

SUSTAINABILITY REPORT

Company Details	
Name of Organization	ARTHALAND CORPORATION (“Arthaland” or the “Company”)
Location of Headquarters	7F Arthaland Century Pacific Tower 5th Avenue corner 30th Street Bonifacio Global City, Taguig City 1634, Philippines
Location of Operations	Philippines: Taguig City, Cebu City, Laguna, Makati City
Report Boundary	This Annex applies the control approach to its boundary to report on the performance of the following developments/projects owned by Arthaland or its subsidiaries, listed according to their development progress: Fully operational: 1. Arthaland Century Pacific Tower (ACPT) in Taguig City, owned by Arthaland¹ and managed by Arthaland Prestige Property Solutions, Inc. (APPS) 2. Arya Residences in Taguig City, managed by APPS 3. Sevina Park in Laguna, owned by Cazneau, Inc. and managed by APPS a. Courtyard Hall b. Villa Model Units 138, 162, 182 c. Sales Gallery d. Sevina Park Amenity Pavilion In partial operations²: 4. Cebu Exchange in Cebu City, managed by APPS 5. Savva Financial Center in Taguig City, managed by APPS Under construction: 6. Sevina Park in Laguna, owned by Cazneau Inc.; a. Villa Turnover Units 138, 162, 182 b. Una Apartments Tower 1 c. Una Apartments Tower 2 7. Lucima in Cebu City, owned by Bhavana Properties, Inc. 8. Eluria in Makati City, owned by Bhavya Properties, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	Arthaland is a sustainable developer recognized by local and global organizations for its superior design, high quality, and commitment to sustainability and innovation. Its residential, commercial, and mixed-use development portfolio is certified or pursuing green and wellness certifications.
Reporting Period	January 1 to December 31, 2025
Highest Ranking Person responsible for this report	Jaime C. González Vice Chairman and President

¹ Arthaland retains the ownership of over 21,089 sqm of ACPT, representing approximately 66% of its 32,016 sqm net leasable area.

² Developments are considered “in partial operations” when operated for less than 12 months or have less than 85% occupancy rate.

MATERIALITY PROCESS

ARTHALAND is the pioneer developer of sustainable projects in the Philippines. At the heart of every Arthaland project are sustainability, exceptional and innovative design, and high-quality construction standards. Its current projects consist of residential, commercial, and horizontal mixed-use developments. All these projects adhere to globally and nationally recognized standards for green and wellness buildings through the pursuance of certifications such as the Leadership for Energy and Environmental Design™ (LEED™) of the US Green Building Council (USGBC), the Building for Ecologically Responsive Design Excellence (BERDE) of the Philippine Green Building Council (PHILGBC), Excellence for Design and Greater Efficiencies (EDGE) of the International Finance Corporation (IFC), and the WELL Building Standard™ (WELL™) of the International WELL Building Institute™ (IWBI™). Building its foundations on sustainable principles, Arthaland understands the significant impact of its developments on the economy, the environment, and society, hence weaving its sustainability strategies to prosper simultaneously with its business processes. The subsequent sections of the Report discuss the impact of the organization's activities, risks, and opportunities in these areas. Moreover, as Arthaland pursues sustainable design, construction, and operations, its contributions are likewise consistent with the Sustainable Development Goals (SDGs) of the United Nations (UN), as identified in the subsequent section.

In 2023, Arthaland management and employees representing the company's different business units identified, assessed, and prioritized sustainability concerns based on their expertise, decision process, and knowledge representing stakeholders' interests, particularly the company's customers, employees, contractors, and local communities. These representatives engage their respective stakeholders through customer feedback, project development discussions, surveys, interviews, and the like.

The materiality assessment sessions resulted in the following:



Topics that ranked medium to high in their impact on stakeholders and the business are discussed in detail in this Sustainability Report ("Report"), while the other topics that ranked a low level of criticality are addressed in the overview of the Company's Management approach. The material topics with the highest impact identified for this Report are Resource Management, Infrastructure Investment, Marketing and Labelling, GHG Emissions, and Anti-corruption.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure		Amount	Units
Direct economic value generated		7,482,245,044	Php
Direct economic value distributed	Operating costs, including payment to suppliers ³	4,470,847,570	Php
	Employee wages & benefits	401,507,366	Php
	Dividends to stockholders and interest payments	1,922,431,562	Php
	Taxes to government	549,295,371	Php
Direct economic value retained		138,163,175	Php

The data presented in the table above are reported in alignment with the requirements of GRI 201: Economic Performance 2016 and reflect the financial performance of Arthaland and its subsidiaries for the reporting period.

This disclosure includes key figures such as employee wages and benefits, dividends to stockholders and interest payments, taxes remitted to the government, and direct economic value retained by the organization. All highlighted amounts are subject to update upon the availability of the Audited Financial Statements to ensure the accuracy and completeness of the reported information.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
A company's business model affects its overall economic performance, primarily impacted by market view and acceptance.	Shareholders and stakeholders	Arthaland creates shareholder and stakeholder value by embedding sustainability into its development strategy and lifecycle execution—from design and construction through operations—supported by nationally and globally recognized rating systems such as: • Leadership in Energy and Environmental Design™ (LEED™) of the US Green Building Council; • Building for Ecologically Responsive Design Excellence (BERDE) of the Philippine Green Building Council; • Excellence in Design for Greater Efficiencies (EDGE) of the International Finance Corporation; and • WELL Building Standard™ (WELL™) of the International WELL Building Institute. This approach is intended to strengthen project quality and long-term asset performance by improving resource efficiency, managing key

³ Net of other costs identified (wages, taxes, community investments)

		environmental and social risks, and enhancing market acceptance and tenant/buyer preference. Value generated is managed through disciplined capital allocation, cost and schedule controls, and responsible procurement and governance practices, while value is distributed through payments to suppliers and contractors, employee wages and benefits, taxes, and returns to capital providers.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Building green in an emerging economy requires market transformation and innovation.	Shareholders and stakeholders	Building green in an emerging economy can involve market adoption risks, including evolving customer preferences, limited availability of specialized technologies and suppliers, and potential cost and schedule pressures that may affect project viability and competitiveness. Arthaland manages these risks by leveraging the experience of its leadership and technical teams, applying disciplined project governance and cost and schedule controls, and using its completed flagship developments (e.g., Arya Residences and Arthaland Century Pacific Tower) as demonstrable proof points of its ability to deliver high-performance, world-class projects on time and within budget.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Sustainability is for all. It is not for a select few but for everyone to benefit from.	Shareholder and stakeholder	Arthaland sees an opportunity to broaden the reach and impact of sustainable real estate by expanding its portfolio across multiple market segments and geographic areas. By scaling beyond Metro Manila to growth locations such as Laguna and Cebu, and by entering the mid-market segment, the Company can serve a wider customer base with more affordable, resource-efficient homes and workplaces. This strategy supports long-term value creation by improving market penetration and demand resilience, strengthening brand leadership in sustainability, and enabling more communities to benefit from reduced operating costs and improved environmental performance associated with green buildings.

Climate-related risks and opportunities

Governance	
Disclose the organization's governance around climate-related risks and opportunities.	Arthaland integrates climate-related risks and opportunities into its governance and decision-making framework. Oversight is exercised by the Board through its Governance Committee, which reviews sustainability and climate-related performance and initiatives at least annually. Climate considerations are incorporated into strategic planning, investment decisions, and portfolio development. Execution is led by the in-house Sustainability Department under the Chief Sustainability Officer, working across technical, project, and corporate functions to implement decarbonization and performance standards. Sustainability objectives are embedded in annual corporate goals and cascaded into departmental and individual KRAs. Management compensation is linked to overall corporate performance, which includes sustainability targets, reinforcing accountability at the leadership level. Structured monitoring and reporting processes support oversight, with selected sustainability metrics strengthened through third-party verification and assurance. Continuous capacity-building and research efforts support the informed adoption of emerging low-carbon technologies.
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Arthaland's business strategy is anchored on sustainability and climate responsiveness. Climate-related risks and opportunities are integrated into funding approvals, business decisions, and project development to align growth with long-term decarbonization pathways. The company advances high-performance, low-carbon developments through internationally recognized certification frameworks, including LEED, BERDE, EDGE, and WELL, ensuring measurable standards for energy efficiency, environmental performance, and resilience across its portfolio. Arthaland has committed to achieving net zero operational carbon by 2030 under the World Green Building Council (WorldGBC) Net Zero Carbon Buildings Commitment. To reinforce its decarbonization pathway, the company has also signed the Science-Based Targets initiative (SBTi) near-term target commitment, aligning its climate strategy with science-based emissions reduction trajectories consistent with global climate goals. In parallel, the company is exploring whole-life carbon reduction strategies, including the use of engineered bamboo and other low-carbon materials to address embodied emissions. To preserve sustainability performance across the asset lifecycle, properties are managed and operated by Arthaland Prestige Property Solutions (APPS), supporting continuity of operational standards and certification requirements.
Risk Management	
Disclose how the organization identifies, assesses, and manages climate-related risks.	Arthaland adopts a proactive approach to identifying and managing climate-related risks, including physical risks (such as extreme weather), regulatory risks from evolving climate policies and building standards, and market risks related to resource constraints and shifting stakeholder expectations. Climate risks are integrated into the company's enterprise risk management processes and are reported annually to the Board through the Governance Committee. These considerations inform capital allocation, project planning, and operational decision-making. Risk mitigation measures include adherence to internationally recognized green building standards, structured sustainability monitoring, supply chain resilience

	planning, and ongoing engagement with industry bodies and regulators to anticipate policy developments.
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Arthaland measures and monitors greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Standard, covering Scope 1 and Scope 2 emissions, and substantially measures and continuously refines Scope 3 emissions to improve completeness and accuracy. Based on a 2019 baseline, the company has achieved a 72% reduction in Scope 1 and Scope 2 emissions, with 99% of operational energy sourced from renewable energy. As a result, 89% of total GHG emissions have been avoided, with remaining emissions primarily attributable to backup diesel power generation and refrigerant charges. The company's 2030 net zero commitment covers operational carbon. The remaining emissions are addressed through ongoing efficiency improvements and transition strategies. 100% of the portfolio, past and present, under Arthaland's management through APPS is included in the emissions boundary, ensuring comprehensive performance accountability. While the current commitment focuses on operational emissions, Arthaland continues to explore strategies to address whole-life carbon, including embodied emissions from construction materials. Performance indicators are tracked at the property level through certification achievements under LEED, BERDE, EDGE, and WELL, which provide measurable benchmarks for environmental performance and resilience. Notable certifications include: • Arya is the Philippines' first and only multi-certified residential building, having achieved LEED Gold, BERDE 4-Stars, ANZ/PH 3-Star, and, in 2025, WELL HSR. • ACPT is the Philippines' first and only triple-certified office building with the highest ratings of LEED Platinum, BERDE 5-Stars, and EDGE Zero Carbon. It has also been rated WELL HSR since 2021. • Sevina Park is Southeast Asia's first project to achieve LEED Platinum certification under LEED v4 for Neighborhood Development. Its Villa 182 model unit is likewise certified LEED Platinum under LEED v4 for Single-Family Residential. The development has also earned a BERDE 5-Star certification for Districts, while its Villa 138, 162, and 182 turnover units have received EDGE Advanced Preliminary Certification. • Cebu Exchange is the largest single tower multi-certified sustainable in the country, having achieved LEED Gold, BERDE 5-Star, WELL Precertified, WELL HSR since 2022, and, in 2025, EDGE Zero Certification. • Savva Financial Center achieved LEED Precertified Gold, EDGE Advanced Preliminary certification, WELL Precertified, WELL HSR since 2024, and, in 2025, BERDE Stage 1 Certification. • Eluria is LEED Precertified Gold and on track for BERDE, EDGE, and WELL certifications. • Lucima is LEED Precertified Gold and on track for BERDE, EDGE, and WELL certifications. • Una Apartments is registered for LEED, BERDE, EDGE, and WELL certifications.

Procurement Processes

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement spending used for significant locations of operations that are spent on local suppliers	98.80	%

The local suppliers refer to organizations or persons based in the Philippines that provide a product or service to Arthaland and/or its subsidiaries (GRI Standard 2016 Glossary).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
An organization's procurement process and practices heavily influence the success of its supply chain. This consequently affects the overall quality of the product.	Shareholders and customers	Arthaland established policies on Business Conduct and Ethics, Conflict of Interest, Anti-Corruption and Bribery, Insider Trading, and Related Party Transactions. These policies include the implementation of the following: • The promotion of a culture that fosters and maintains the core values of fairness, transparency, accountability, and integrity • Mandatory disclosure of any conflict of interest on personal, professional, and business interests • Zero-tolerance to bribery and corruption • No inside trading allowed, and • Related party transactions must always be disclosed and implemented on an arms-length basis.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Without a fair, unbiased, and consistent procurement process, a business can narrow its supply chain pool, hampering its ability to innovate and remain competitive.	Shareholders and investors	Arthaland's Internal Audit and Risk Department regularly evaluates its procurement and other business processes at multiple levels. Complaints are managed in accordance with the company's Whistleblowing Policy, which is communicated and distributed during every vendor accreditation and bidding orientation.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
An organization's procurement process can safely guard its business ethics.	Shareholders and investors	Procurement practices and related policies are reviewed annually and as often as necessary to ensure relevance to the present time.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Arthaland's anti-corruption policies and procedures are communicated to all employees during onboarding. Positions with a higher risk of exposure receive additional training on the subject. At the same time, suppliers and business partners must agree and abide by Arthaland's Code of Business Ethics and Anti-corruption policies before engaging with the Company.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Corruption affects the trust between employers and employees which can lead to concerns about the management's integrity.	Entire Organization	Arthaland has a zero-tolerance policy to bribery and corruption in all its dealings and engagements. The organization ensures that this policy is communicated to all employees during onboarding and appropriate supplemental training and reminders are conducted throughout their employment.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
The ineffective implementation of this policy reflects a failure in leadership and governance which could potentially lead to retention of subpar employee.	Entire Organization	Enforcing this policy can be challenging as employees who report corruption or unethical behavior may fear retaliation from colleagues or superiors involved in such activities. Arthaland, therefore, has a whistleblowing policy that provides confidential and secure channels and guidance on reporting these types of activities responsibly.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Having zero-tolerance to bribery and corruption and whistleblowing policies ensures the organization promotes a corporate culture that prioritizes ethical behavior and upholds core values.	Entire organization	By strictly implementing these policies, Arthaland actively cultivates its employees' character and values by embracing the core value "we always work with integrity," thereby underscoring its dedication to conducting business ethically and fostering an honest culture within its workforce.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

No incidents of corruption were recorded during the reporting period. There were zero cases involving directors being removed or disciplined for corruption, no employees were dismissed or sanctioned for corruption-related offenses, and no contracts with business partners were terminated due to corruption incidents. This indicates that anti-corruption controls and compliance measures remained effective throughout the period.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Unethical practices will harm Arthaland's reputation and brand. Corruption often occurs during vendor engagements when confidential project information is leaked ahead of the award to specific vendors.	Entire organization	Confidential information, such as budgets and costs, is strictly limited to authorized members of the Bidding Committee and executive leaders of the organization. This stringent protocol upholds the organization's commitment to responsible governance. By restricting access to only those with a legitimate need to know, the organization maintains confidentiality and fosters trust among stakeholders.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Corruption can increase project construction costs, thereby inflating the overall expenses associated with the project. This, in turn, decreases the project's bottom-line figures.	Entire Organization	The Bidding Committee comprises of industry experts from the organization's Design, Finance, Cost Control, and Procurement departments. This guarantees a rigorous and impartial evaluation of every bid package and upholds standards of fairness and objectivity in the bid selection process.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
With an Anti-corruption and Bribery Policy, the organization can manage project costs as well as protect the company from corruption risks.	Entire Organization	Arthaland fosters positive and long-term working relationships with designers, suppliers, and contractors by emphasizing all parties' mandatory adherence to the organization's Anti-corruption and Bribery Policy in all interactions. This ensures alignment of ethical standards among internal and external stakeholders and promotes transparency and integrity in all business dealings.

- End of ECONOMIC -

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Resource Management

Energy consumption within the organization

Disclosure		Quantity	Units
Non-renewable energy sources	Purchased electricity	148	MWh
	Liquified petroleum gas	0	MWh
	Diesel	69	MWh
Renewable energy sources	Purchased electricity	10,312	MWh
	On-site generation	0	MWh

Energy consumption encompasses usage from Arthaland's operational developments within the organization's control, covering its Scope 1 and 2. This includes Arthaland's offices, the Business Center in ACPT, amenity areas in Arya and Sevina, and other common and back-of-house areas in operational developments. Areas controlled by tenants (Scope 3), such as tenant office spaces and residential units, are excluded from this disclosure.

The disclosed diesel consumption records the fuel used for backup power through generator sets, encompassing both power outages and preventive maintenance activities. While fuel monitoring is conducted in liters, the data is converted to MWh for the purposes of this disclosure. The conversion rate is determined in accordance with the equipment's specifications.

Reduction of energy consumption

Disclosure		Quantity ⁴	Units
Non-renewable energy sources	Purchased electricity	1,814	MWh
	Liquified petroleum gas	0	MWh
	Diesel	-19	MWh
Renewable energy sources	Purchased electricity	-1,916	MWh
	On-site generation	0	MWh

The reduction in energy consumption is assessed by comparing total energy use in the previous year with that of the current year. If the resulting value is positive, it indicates a decrease in consumption; conversely, a negative value indicates an increase in consumption.

The table above shows a decrease in non-renewable energy procurement and an increase in renewable energy procurement compared to the previous year. This indicates a strategic shift in Arthaland's energy mix towards renewable sources.

The overall increase in building energy consumption is primarily due to higher occupancy levels, as additional tenants moved into Cebu Exchange and Savya Financial Center during the year. Higher occupancy typically drives greater demand for HVAC (e.g., increased cooling and ventilation requirements and longer operating hours), increased lighting usage in occupied areas and common spaces, and higher plug loads from tenant equipment such as computers, servers, appliances, and other office devices.

⁴ The data in the table reflects the reduction or addition in consumption compared to the previous year's. A positive value means a decrease while a negative value means an increase in consumption.

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What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The building design influences the overall energy demand, directly affecting the occupants' utility bills and resource footprint.	Building occupants (homeowners and tenants)	Arthaland designs its projects to achieve at least 20% higher energy efficiency than conventional or non-green buildings in the country, using ASHRAE 90.1 as a key reference standard for energy-efficient building design. During the design stage of each property development, Arthaland conducts whole-building energy modeling to establish a baseline and test design alternatives (e.g., building orientation and envelope performance, HVAC systems and controls, lighting power densities, and other major loads). The modeling results are used to estimate energy savings, optimize the selected design strategies, and confirm that the project can meet its energy efficiency target prior to construction.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Buildings need technology and innovation to achieve a higher energy efficiency than conventional design. This will affect the capital cost and marketability of the building.	Building occupants	Arthaland evaluates and selects building technologies to balance energy-efficiency objectives with financial performance. While these measures may increase upfront capital expenditure, they are expected to deliver lifecycle benefits through improved operational performance and reduced energy demand, benefiting both current occupants and future users.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Buildings with a higher energy efficiency performance provide a value proposition to buyers and investors.	Shareholders and investors	Arthaland's sales and marketing materials clearly highlight the measurable energy savings that each project delivers, presenting these benefits as a key value proposition for buyers and investors. Furthermore, the materials emphasize how improved energy efficiency contributes to broader societal goals, underscoring the company's commitment to sustainable development and long-term positive impact.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	170,107	m3
Water consumption	0	m3
Water recycled and reused	11,300	m3

Following the GRI 303: Water and Effluents 2018 reporting definition, water withdrawal is water drawn from all sources, including municipal water. Water consumption is the portion of water that is not returned to the same source from which it was withdrawn due to evaporation, incorporation into products, or consumption by humans or animals.

The disclosed data covers usage from Arthaland's operational developments within the organization's control. This includes Arthaland's offices, the Business Center at ACPT, amenity areas in Arya and Sevina, and other common and back-of-house areas in operational developments. These include consumption from shared restroom facilities, irrigation systems, swimming pools, and general building maintenance activities. Areas controlled by tenants, such as tenant office spaces and residential units, are excluded from this disclosure.

Furthermore, any increase in water withdrawals can be attributed to property expansion and the resulting irrigation needs of landscaped areas.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The building design influences the overall water demand, directly impacting the occupant's utility bills and resource footprint.	Building occupants (homeowners and tenants)	Arthaland designs its projects to achieve a minimum of 20% water efficiency compared to conventional buildings in the country. During the design stage of each building development, Arthaland conducts a water balance study to guide the design and achieve the project's water efficiency target.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Buildings need technology and innovation to achieve a higher water efficiency than conventional design. This will affect the capital cost and marketability of the building.	Building occupants	Arthaland carefully deliberates and selects its building technologies to balance its water efficiency and profitability targets. The cost of installing these technologies is an investment that will benefit not just the present occupants but, more importantly, the future generations.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Buildings with a higher water efficiency performance provide a value proposition to buyers and investors.	Shareholders and investors	Arthaland's sales and marketing materials communicate the project's potential water savings and emphasize its importance to society.

Materials used by the organization

Disclosure	Quantity	Units
Materials used to manufacture the organization's primary products and services		
Renewable	Not measured	%
Non-renewable	Not measured	%

Renewable materials include those with recycled content, reused materials, bio-based materials, rapidly renewable materials, or third-party certified green materials. Otherwise, it is considered nonrenewable. The quantities are calculated according to the cost of materials.

The data disclosed in this section refers to the permanently installed architectural and structural construction materials for Arthaland developments. Except for the limited number of materials directly procured by Arthaland, the project's general contractor is usually responsible for sourcing and purchasing these materials. The contractors are subject to Arthaland's sustainability requirements when selecting materials. Arthaland's existing monitoring system for material performance was designed to assess the sustainability impact of the materials purchased for each project. The primary distinction between the Securities and Exchange Commission (SEC) data requirements and Arthaland's current monitoring system lies in their approach to data collection. Arthaland's system records information on a project-by-project basis, irrespective of the year in which materials were purchased. Additionally, material quantities are tracked by cost rather than by weight.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Building materials account for about 11% of global emissions (WorldGBC, 2020).	Investors and partner organizations	Although construction materials are generally the responsibility of the project's general contractor, Arthaland sets guidelines for its building materials to ensure a greener selection. Below are the target characteristics: - At least 20% of the cost of materials must be sustainable by having recycled content, reused materials, bio-based materials, rapidly renewable materials, Forest Stewardship Council (FSC) certified wood, and the like. 100% of the liquid applied materials (paints, coatings, adhesives, sealants, etc.) per volume must be within the VOC limits of the SCAQMD Only materials with documentary proof of their sustainable characteristic are recorded as green.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Green materials and products commonly pose challenges to availability in the Philippines, thereby often driving an increase in the overall capital cost of the building.	Shareholders and Investors	Arthaland carefully deliberates and selects its building materials to balance its environmental and profitability targets. The cost of installing green materials is an investment that will benefit not just the present occupants but, more importantly, the future generations.

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What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Influencing Arthaland's supply chain to innovate and to develop green products can accelerate the market's transition toward sustainable materials.	General contractors, suppliers, and manufacturers	Arthaland conveys its requirements for green materials through its building materials criteria. This encourages more suppliers and manufacturers to offer more green products if they want to continue doing business with the Company.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0	#
Habitats protected or restored	0	ha
IUCN ⁵ Red List species and National Conservation List species with habitats in areas affected by operations	10*	#

None of the parcels of land Arthaland builds on have an existing high biodiversity value or ecosystems for protection or conservation. Moreover, Arthaland has adopted standards to minimize the organization's negative impact and hone its positive impact on the ecosystems and biodiversity.

*The IUCN Red List species (vulnerable to critically endangered) disclosed are those purposefully planted by Arthaland to help propagate them: *Pterocarpus indicus* (Narra), *Radermachera coriacea* (Labayanan), *Cinnamomum cebuense* (Kalingag), *Sindora supa* (Supa), *Ardisia squamulosa* (Tagpo), *Taxus sumatrana* (Taxus), *Syzygium hutchinsonii* (Malatambis), *Dillenia luzoniensis* (Malakatmon), *Xanthostemon bracteatus* (Mapilig), and *Xanthostemon verdugonianus* (Mangkono).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Developing on land with a significant ecosystem and biodiversity value disrupts the area's natural habitat, thereby affecting the ecosystem.	Surrounding communities	Arthaland avoids building on land with significant ecosystem and biodiversity value to help preserve them. This approach ensures that it does not build on land classified for agricultural use and/or with habitat for threatened species, waterbodies/wetlands, historical sites, and high-hazard risks.

⁵ International Union for Conservation of Nature (IUCN)

What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Continuous disruption of ecosystems and biodiversity can lead to the extinction of species and can increase the probability of flood risk due to reduced biodiversity.	Surrounding communities	Arthaland provides areas within its properties/projects for threatened tree species to grow and be nurtured. This allows Arthaland to help propagate threatened biodiversity and mitigate the effects of disrupted ecosystems. Arthaland started this initiative by planting vulnerable to critically endangered trees in its developments.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Planting and growing threatened species in the country can help restore the ecosystem and biodiversity.	Surrounding communities	Arthaland dedicates an area equivalent to at least 30% of its projects to open space and vegetation. This helps increase biodiversity and provides a means to manage rainwater and spaces the occupants can enjoy.

Environmental Impact Management

GHG Emissions

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	418	mtCO ₂ e
Energy Indirect (Scope 2) GHG Emissions	102	mtCO ₂ e
Emissions of ozone-depleting substances (ODS)	370	tonnes

GHG emissions disclosed in this Report cover emissions associated with the operation and maintenance of Arthaland's developments within the organization's operational control. This includes emissions from purchased electricity (Scope 2) and direct emissions from backup power generation (diesel consumed by generator sets) and refrigerant leakage and/or charging associated with building cooling systems (Scope 1). The inclusion of refrigerant-related emissions represents an enhancement in the organization's emissions inventory and improves completeness of reported Scope 1 emissions.

GHG emissions are calculated and reported in metric tons of carbon dioxide equivalent (mtCO₂e) in accordance with the GHG Protocol Corporate Standard. Scope 2 emissions are estimated using the Philippines Department of Energy (DOE) 2019–2021 National Grid Emission Factor.

This reporting year, Scope 1 emissions from fuel combustion are calculated using emission factors from the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA). Activity data are based on fuel consumption records and, where necessary, are converted using equipment specifications and standard conversion factors. In prior reporting periods, emission factors from the United States Environmental Protection Agency (US EPA) were used. The shift to DEFRA emission factors was undertaken due to their suitability for international application and their transparency in methodology and underlying assumptions.

The increase in Scope 1 emissions during the reporting period is primarily attributable to higher diesel and refrigerant activity. Diesel consumption increased due to generator set operations for comprehensive preventive maintenance at Arya Residences and due to building operations support during power outages at Cebu Exchange, including those associated with typhoon-related disruptions. In addition, Arthaland strengthened its refrigerant monitoring and data capture for refrigerant charges, enabling improved identification and quantification of refrigerant-related emissions and resulting in more accurate reporting in the current year.

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What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Building operations account for 28% of global emissions (WorldGBC, 2020).	Investors and partner organizations	Operational GHG emissions vary depending on an asset's energy sources and consumption profile. Arthaland manages and reduces operational emissions by prioritizing renewable electricity procurement, complemented by energy-efficiency measures integrated into building design and operations. Key levers include high-performance building envelopes, efficient HVAC and lighting systems, optimized controls and scheduling, and ongoing monitoring and preventive maintenance to sustain performance. Where appropriate, Arthaland also strengthens measurement and data management (e.g., utility tracking and fuel and refrigerant monitoring) to improve the accuracy and completeness of its emissions inventory and to inform continuous improvement initiatives.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
The increase in renewable energy demand has reduced the available supply of renewable energy in the region.	Investors and partner organizations	Arthaland secures renewable energy supply contracts from acceptable providers to ensure allocation for its developments and constantly explores other vendors that can supply its renewable capacity requirements.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Arthaland helps transform the Philippines' energy sector into a cleaner and more reliable supplier by increasing demand for renewable energy.	Investors, partner organizations, and building occupants	Arthaland is the first real estate developer in Asia to be a signatory to the World Green Building Council's Net Zero Carbon Buildings Commitment. It is committed to decarbonizing its development portfolio operations by 2030. To reinforce its decarbonization pathway, the company has also signed the Science Based Targets initiative (SBTi) near-term target commitment, aligning its climate strategy with science-based emissions reduction trajectories consistent with global climate goals.

Air pollutants

Disclosure	Quantity	Units
NOx	N/A	kg
SOx	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

The concentration level of the abovementioned air pollutants in Arthaland's properties is inconsequential due to the inherent nature of residential and commercial activities, which do not generate significant emissions. Despite this, Arthaland has established standards and procedures to prevent external air pollutants from entering the buildings and to effectively ventilate indoor spaces. These measures are detailed in the management approach below and are aligned with international standards for building ventilation design.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The air quality inside buildings affects the health of the occupants during operations.	Building occupants	To ensure good indoor air quality in Arthaland developments, its ventilation systems are designed according to the international standards ASHRAE 62.1 and 62.2. Compliance with these standards means all spaces in the building can receive adequate and clean air during operations.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Due to the nature of activities, there is an unlikely risk of having high concentrations of these pollutants in residential or office commercial buildings.	Building occupants	Indoor air quality monitoring is established in key areas likely to have pollutants. A few of these applications in Arthaland developments are: - Indoor parking spaces have carbon monoxide monitoring linked to the parking ventilation. - Residential units have carbon monoxide alarms to notify the residents when the concentration is unsafe.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Improving air quality in buildings promotes better health and helps the productivity of the occupants.	Building occupants	The ventilation system provided in Arthaland developments is installed with high-efficiency air filter media which cleans the air supplied into the space and prevents pathogens from entering the interior spaces.

Solid and Hazardous Wastes

Solid Wastes

Disclosure	Quantity	Units
Total solid waste generated	2,485,033	kg
a. Recyclable / Reusable / Composted	2,473,427	kg
b. Incinerated	0	kg
c. Residuals/Landfilled	11,606	kg

In real estate development, construction-related solid waste constitutes the majority of total waste generated. The primary contributors to this waste stream are Arthaland's general contractors, who are also responsible for the proper disposal of these materials. To address this issue, Arthaland requires all contractors to develop and implement comprehensive construction waste management procedures. These procedures are designed to minimize landfill use by diverting waste to accredited organizations and facilities that can extend the life cycle of materials. This is achieved through recycling, reuse, repurposing, remanufacturing, or, where applicable, utilizing waste as fuel for energy generation.

The data presented herein pertain to solid waste generated at Arthaland's active construction sites. Specifically, the quantities classified as recyclable, reusable, or compostable represent construction waste that has been transported to accredited facilities for appropriate processing, including recycling, reuse, or composting. This approach reflects Arthaland's commitment to sustainable construction practices and responsible waste management.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
According to academic studies ⁶ , construction waste is estimated to account for a third of the world's overall waste.	Surrounding communities	All general contractors at Arthaland construction sites must implement a construction waste management plan. The plan focuses on minimizing wastes by diverting salvageable materials from dumpsites to recycling or appropriate facilities, ensuring responsible handling and disposal to maximize reuse and meet Arthaland's sustainability targets.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Unmanaged construction wastes cause pollution and health hazards to the surrounding communities.	Surrounding communities	The construction sites of Arthaland developments have a material recovery facility for waste segregation, safe storage, and a collection point for disposal.

⁶ Source: C. K., Al Zulayq, D. M., O'Brien, B. T., Kowalewski, M. J., Berenjian, A., Tarighaleslami, A. H., & Seifan, M. (2021). Circular Economy of Construction and Demolition Waste: A Literature Review on Lessons, Challenges, and Benefits. *Materials*, 15(1), 76. <https://doi.org/10.3390/ma15010076>

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What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Managing construction wastes supports the circularity ⁷ of a material's lifecycle.	Surrounding communities	Diverting wastes from dump sites to facilities where they can be reused or recycled prolongs the materials' useful life and reduces the construction site's emissions. Each site targets at least 50% diversion of the generated construction wastes.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

As with the Solid Waste disclosure, the majority of hazardous waste generated by real estate developers comes from construction activities. Accordingly, the figures presented in this section pertain specifically to hazardous construction waste generated by the General Contractor at active construction sites. These include, but are not limited to, paint cans, sealants, damaged lamps, and the like. Note that hazardous wastes are recorded only when they are removed from the construction sites.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The construction site's general contractor manages the generated hazardous and solid wastes.	Surrounding communities	The Construction Waste Management plan (CWM) mandated in Arthaland's construction sites requires the safe storage and disposal of hazardous wastes.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Hazardous wastes pose a serious health risk to the surrounding communities when not handled accordingly.	Surrounding communities	The protocol for handling hazardous waste complies with relevant laws and regulations implemented by the Department of Environment and Natural Resources – Environmental Management Bureau.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Having a waste storage facility enables proper handling and disposal of hazardous waste.	Surrounding communities	The material recovery facility at Arthaland construction sites has a dedicated space for hazardous wastes to ensure ease of access, safe storage, and proper disposal.

⁷ Circularity is a term used for when a material's life continues to extend instead of thrown away.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	181,407	m ³
Percent of wastewater recycled	0	%

Wastewater refers to water that has been contaminated by human activities. For reporting purposes, wastewater recycling is defined as the reuse of treated water originating from sources such as lavatories, showers, kitchens, and toilets. This definition excludes the reuse of rainwater.

The volume of effluent water generated by buildings is directly linked to overall water consumption and graywater use. Therefore, monitoring these parameters effectively captures the organization's impact on effluent discharge. The figures disclosed are derived from total water withdrawn and the amounts recycled or reused, as detailed in the Water Consumption disclosure section.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The quality of the wastewater discharged affects the municipal sewers' overall quality.	Surrounding communities	Consistent with our water consumption strategy, Arthaland implements measures to actively minimize wastewater generation by reducing overall building water demand. This is achieved by installing low-flow, water-efficient plumbing fixtures across all projects, which significantly reduces the volume of wastewater produced.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Untreated wastewater can damage plants and marine life where it is discharged.	Surrounding communities	Arthaland designs all its developments so that wastewater passes through a sewage treatment plant to ensure adequate treatment before discharge.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
Additional water savings can be achieved when the wastewater is treated and reused.	Building occupants and surrounding communities	Arthaland recycles the building's wastewater where feasible to reduce its potable water demand. For instance, Cebu Exchange treats and reuses its wastewater from the lavatory and shower areas to aggregate the building water demand for irrigation and toilet flushing.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws or regulations	0	PHP
No. of non-monetary sanctions for non-compliance with environmental laws or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

All construction developments are subject to environmental compliance set by the Department of Environment and Natural Resources – Environmental Management Bureau.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Construction activities without preventive measures are prone to polluting the surrounding areas.	Surrounding communities	The general contractors of Arthaland developments are mandated to acquire all necessary permits before construction commences and to comply with all relevant environmental laws and practices during construction.
What are the Risks Identified?	Which stakeholders are affected?	Management Approach
Pollution from construction activities damages the environment and ecosystems.	Surrounding communities	Following Arthaland's mandate, the general contractors are required to implement an Erosion and Sedimentation Control (ESC) Plan during construction to protect nearby bodies of water and public sewers near and around the site.
What are the Opportunities Identified?	Which stakeholders are affected?	Management Approach
The preventive measures established for the ESC can be damaged during construction and must be maintained.	Surrounding communities	The ESC preventive measures, such as perimeter fence with zocalo/sandbags, curb inlet cover, wash bay with sedimentation tank, and the like, are being inspected at least weekly and reported monthly to ensure their effectiveness on-site.

- End of ENVIRONMENTAL -

SOCIAL

Employment Management

Employee Hiring and Benefits: Employee data

Disclosure	Quantity	Units
Total number of employees	303	#
a. Number of female employees	169	#
b. Number of male employees	134	#
SEC attrition rate ⁸	20	%
GRI turnover rate ⁹	17	%
Ratio of the lowest paid employee against minimum wage	20:13	ratio

According to national law or its application, employees are individuals in an employment relationship with the organization (GRI Standards Glossary). The employee data in this Report covers the employees of Arthaland and APPS as of December 31 of the reporting year.

Employee turnover is employees who leave the organization voluntarily or due to dismissal, retirement, or death in service. The table presents two attrition rates: one calculated using the SEC formula and the other based on the GRI 401: Employment 2016 methodology.

The data also indicate that the company's lowest-paid employee earns, on average, 1.54 times higher than the minimum wage across all locations where the company operates.

Employee Hiring and Benefits: Employee benefits

List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	Y	9%	7%
PhilHealth	Y	5%	4%
Pag-ibig	Y	6%	8%
Parental leaves	Y	1%	1%
Vacation leaves (VL)	Y	89%	87%
Sick leaves (SL)	Y	14%	16%
Medical benefits (aside from PhilHealth)	Y	78%	85%
Housing assistance (aside from Pag-IBIG)	Y	0%	0%
Retirement fund (aside from SSS)	Y	1%	1%
Further education support ¹⁰	Y	0%	0%
Telecommuting ¹¹	Y	59%	48%
Flexible-working Hours	N	0%	0%

⁸ Following the SEC formula, the attrition rate is calculated by (no. of new hires – no. of turnover) / (average of total number of employees of previous year and total number of employees of current year).

⁹ Following the GRI formula, the turnover rate is calculated by (no. of turnover employees) / (total number of employees of the current year).

¹⁰ Further education support includes formal education, short courses, and continuous professional development/education that aims to upgrade skills.

¹¹ Telecommuting covers employees with work-from-home flexibility.

List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
Transportation allowance ¹²	Y	31%	41%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Attrition rates affect business operations through employee productivity and efficiency, project continuity, and the like.	Arthaland aims to keep its attrition rate to a minimum and lessen its negative impact through employee engagement and attractive employee benefits. Among these employee engagements are: • Townhall meetings • Internal talks/workshops/seminars • External seminars/training • Team building/sportsfest • Regular health checkups and information, and • Email announcements. Employee benefits, aside from those government-mandated, are: • Additional days for vacation and sick leaves • Emergency leaves • Comprehensive medical benefits • Retirement fund • Educational and training support • Transportation • Communication allowances, and • Uniform allowance.
What are the Risks Identified?	Management Approach
High attrition rates impact business operations negatively, reducing employee productivity, resulting in unsatisfactory results, and low morale.	Arthaland strives to be a good employer and to promote good working conditions and culture within the organization. Its core values are "we will have fun while getting things done" to encourage low-stress levels and "we work together to get better" to promote collaboration among employees and consultants.
What are the Opportunities Identified?	Management Approach
For better employee retention, causes of attrition can be identified and addressed by providing solutions.	Arthaland closely monitors employee engagement levels to identify concerns or issues before they worsen. Arthaland also conducts exit interviews to identify problems and obtain feedback that leads to an employee's resignation.

¹² The availability and extent of the transportation benefit depend on the employee's rank. This includes, in part or in combination with, a car plan, fuel allowance, parking, and reimbursement of other transportation costs.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	1546	hrs
a. Female employees	1404	hrs
b. Male employees	142	hrs
Average training hours provided to employees	5	hrs/ee
a. Female employees	8	hrs/ee
b. Male employees	1	hrs/ee

The training hours reflected in this report represent only those programs directly provided or facilitated by the organization. These figures do not account for external training opportunities that employees participate in, which are funded by the organization but hosted by outside providers. As a result, the average training hours shown may appear lower than expected.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Employee training and development enhance employees' expertise in shaping a project's design and quality.	Arthaland supports the professional growth of its employees by providing training and development assistance through internal and external training, seminars, and conferences.
What are the Risks Identified?	Management Approach
Little or no continuous training and development can compromise Arthaland's product design and quality. These products may subsequently be found lacking, substandard, out-of-date, or not the best solution for the project's green building goals.	Arthaland encourages employees to participate in the training and development of their choice for continuous professional growth.
What are the Opportunities Identified?	Management Approach
Employee training and development are mutually beneficial to employers and employees. They allow employees to improve their proficiency and increase their skill set, which, in turn, can benefit the Company through their productivity levels and application of new skills.	Arthaland has made it a policy for its employees to have continuous training and development with a full salary while undergoing said training/seminar.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

Arthaland does not have collective bargaining agreements. Nevertheless, Arthaland initiates consultations with its employees to discuss employee-related concerns, such as the new work arrangements.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Employee concerns must be expressed and addressed because they can impact employee morale and performance.	Arthaland does not have any collective bargaining agreements with its employees, wherein only one person speaks for everyone. All employees are encouraged to freely raise their concerns by approaching their direct supervisors or anyone in the Human Resources and Administration Department or the Legal and Compliance Department.
What are the Risks Identified?	Management Approach
Employee concerns not expressed and addressed may result in low morale and poor performance, eventually leading to resignation or termination.	Arthaland has established a protocol to enable employees to raise and resolve grievances managed by the Human Resources and Administration Department to ensure that concerns are appropriately addressed in due course. The approach allows grievances to be resolved within the affected business unit, but should there be no resolution, the matter will be elevated to Management.
What are the Opportunities Identified?	Management Approach
Employees are integral to a company's success; hence, employers and their employees must have a good working relationship.	Arthaland promotes a harmonious and caring working environment for its employees. The Company has open communication lines where employees can approach and raise concerns anytime and in any medium. Arthaland's recognition of the importance of its employees is reflected in its core values: "We care for each other," "We will have fun while getting things done," and "We work together to get better."

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	56	%
% of male workers in the workforce	44	%
Number of employees from Indigenous communities and the vulnerable sector ¹³	6	#

Arthaland maintains a gender-inclusive workspace that provides equal opportunities to all employees. The organization actively ensures that its hiring and employment practices are free of bias based on gender, race, or religion. By focusing on qualifications, capabilities, merit, and experience, Arthaland fosters a work environment where everyone is given fair consideration for positions and career advancement.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Arthaland employees play a crucial role in project design and quality, affecting the efficiency of day-to-day business operations.	Arthaland hires based on qualifications and capabilities, measured according to merit, ability, competence, experience, good prior employee track record, and appropriateness to the position. Gender, race, religion, and the like have no bearing. Everyone is provided with equal and unbiased opportunities.
What are the Risks Identified?	Management Approach
Bias hiring can be a roadblock to hiring the best-fit person for the position, and this risk can happen during the hiring process.	Arthaland practices qualification-based hiring and assessment, providing equal opportunities to all applicants. This emulates Arthaland's core value, "we only go for the best."
What are the Opportunities Identified?	Management Approach
An equal opportunity and unbiased hiring process ensures best-fit employees are engaged.	The Recruitment and Regularization Policy of the Human Resources and Administration Department and its related policies are reviewed annually to ensure continued improvement and relevance to the present time.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	N/A	hrs
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#

¹³ Vulnerable sector includes elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Disclosure	Quantity	Units
No. of work-related ill-health	N/A	#
No. of safety drills	197	#

The nature of work in Arthaland is primarily professional and administrative, where occupational health and safety are at low risk. This matter is not usually reported. Safety drills refer to participation in the building's activities that ensure the safety of the occupants/workers, such as alarm sounds, lights, earthquakes, fires, and the like, for projects in operation.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Occupational health and safety in high-risk working conditions, such as construction, is essentially the responsibility of the General Contractor. However, they also affect the developer's reputation since it is their property.	Arthaland requires all its General Contractors to have a Philippine Contractors Accreditation Board (PCAB) license before engagement, to submit a sound safety management plan as part of their bid documents, and to comply with Occupational Safety and Health Standards (OSHA) during construction. Among these are compliance with the following: • Construction workers are oriented, instructed, and trained by the construction project manager to ensure the safe handling of equipment and the disposition of waste • All workers must wear protective equipment for their eyes, faces, feet, and other crucial body parts when exposed to hazardous work procedures.
What are the Risks Identified?	Management Approach
Construction works have significant occupational risks because of their high exposure to health and safety issues. Due to the nature of the work, workers can be injured, fall ill, or die.	The General Contractors must have Health and Safety Officers inspect the site to ensure compliance with OSHA and identify potential safety risks. Emergency health personnel and facilities are also required, depending on the number of construction personnel engaged.
What are the Opportunities Identified?	Management Approach
In addition to compliance with the standards and requirements already mentioned, the health and safety of the construction workers can be further improved through protocols that would foster better indoor air quality in construction sites.	Arthaland requires all General Contractors to implement an Indoor Air Quality Management Plan during construction to ensure the health and safety of the workers on site. The plan must at least contain the following: • Abatement of dust during construction • Use of low-emitting materials to protect the workers from inhaling volatile organic compounds • Use of human-powered or electric equipment to reduce air pollutants • Proper housekeeping to reduce risk hazards on-site, and • Use of local exhaust to clear the air of pollutants.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite the reference in the company policy
Forced labor	N*	
Child labor	N*	
Human Rights	Y	F.9 Sexual Harassment Policy

*Arthaland complies with all applicable laws and regulations, even if they are not categorically stated in its policies. Arthaland has not had any case where it has been accused of violating laws on forced labor, child labor, and/or human rights.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Labor laws and human rights violations can adversely affect Arthaland's business operations and may result in its suspension by regulators or worse.	Arthaland fully complies with all applicable laws and regulations, including labor laws and human rights, especially those on sexual harassment and HIV/AIDS.
What are the Risks Identified?	Management Approach
Arthaland's business operations have minimal exposure to labor laws and human rights violations because the Company engages professionals and experts who are familiar with these laws.	Although the law is incorporated into any contract or policy, even if not categorically embodied therein, Management reviews regularly related policies, especially when there are specific amendments to existing laws and regulations, and determines whether there is a need to revise the same.
What are the Opportunities Identified?	Management Approach
A constant review of the Company's policies is necessary to ensure relevance to the present time.	The Recruitment and Regularization Policy of the Human Resources and Administration Department and other related policies are reviewed annually to ensure relevance to the present time.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Yes, kindly see the attached document labeled Annex “1”.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite the reference in the company policy
Environmental performance	Y	Vendor Accreditation Form
Forced labor	N*	
Child labor	Y	E.2.1.b.2
Human rights	Y	E.2.1.b.3
Bribery and corruption	Y	E.2.1.c

*Arthaland strictly adheres to all applicable laws and regulations regarding forced labor, even if such provisions are not explicitly detailed within its internal policies. The company also requires all counterparties and vendors to uphold the same legal standards and prohibits any form of forced labor in its operations and supply chain.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Vendor compliance with Labor Laws and Human Rights reflects on Arthaland's reputation by association.	Arthaland has established policies related to Vendors wherein they are required to comply at a minimum with the following: • Local minimum working age, • Does not engage in physical abuse, sexual or other harassment, verbal abuse, and • Pay the legal minimum wages and benefits.
What are the Risks Identified?	Management Approach
Labor-intensive work, such as construction, may involve labor law and human rights violations. Vendors' unfair practices can hurt Arthaland's reputation.	Arthaland has established policies related to Vendors wherein they are required to comply at a minimum with the following: • Local minimum working age, • Does not engage in physical abuse, sexual or other harassment, verbal abuse, and • Pay the legal minimum wages and benefits. As an added precaution, Arthaland requires its vendors to submit a notarized affidavit every month declaring that they fully pay their laborers and workers according to the Minimum Wage Laws of the Philippines.
What are the Opportunities Identified?	Management Approach
Formalize vendor compliance requirements by stating the same explicitly in the Company's policies.	Arthaland will review and revise its related policies as may be necessary.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Development of a sustainable community – Sevina Park
Location	Biñan, Laguna
Vulnerable groups (if applicable) ¹⁴	Youth
Does the particular operation impact indigenous people (IP) (Y/N)?	N
Collective or individual rights that have been identified as of particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Traffic impact	Arthaland conducts due diligence on the project site and engages relevant experts to study traffic impacts and determine how best to address potential issues.
Erosion and sedimentation during construction	Arthaland requires its General Contractors to implement Erosion and Sedimentation Control measures, which are reported to Arthaland monthly.
Employment opportunities	Sevina Park will have a commercial segment where employment opportunities will be open to the surrounding community.
Housing opportunities	Sevina Park has a housing segment where students can reside for convenient access to nearby schools.

For operations affecting indigenous persons, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational. Provide a copy or link to the certificates if available: N/A.

Disclosure	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

Arthaland Corporation confirms that, as of the reporting period, none of its projects or operations are located within or overlap with areas identified as ancestral domains or lands of Indigenous Peoples (IPs), as defined under applicable laws and regulations.

Accordingly, there are no ongoing FPIC consultations and no CPs secured, as these are not applicable to the Company's current developments and operations.

Should future projects be situated in areas where Indigenous Peoples are present or where ancestral domain claims exist, Arthaland commits to full compliance with the requirements of the Indigenous Peoples' Rights Act

¹⁴ Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

(IPRA) and all relevant regulations, including the proper conduct of FPIC processes and the securing of necessary Certification Preconditions prior to project implementation.

What are the Risks Identified?	Management Approach
Developments that have not considered the existing community may put them at risk, especially vulnerable and indigenous groups. Risks include robbing them of their livelihood, exposing them to an unhealthy environment, and the like.	Conduct stakeholder meeting/s to identify the potential negative impacts and ways to support the surrounding community for the better through the development.
What are the Opportunities Identified?	Management Approach
Every development has opportunities to positively impact the surrounding communities by designing and constructing sustainable buildings/communities.	Arthaland develops buildings and communities that are third-party certified sustainable through green building rating tools such as LEED, BERDE, EDGE, and WELL rating systems.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	3.26	N

Customer satisfaction is measured through a customer feedback survey with a scale of 1 to 4, where one (1) means that the service operations need significant improvement and four (4) means that the service exceeds expectations. The content of the customer satisfaction survey covers the quality of administrative services, including concierge, and the operations and maintenance of the common areas, facilities, equipment, and utilities.

APPS conducted a survey through an online platform to which residents and tenants could anonymously respond. The score disclosed in this report is the weighted average of Arthaland's properties' total occupants.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction is essential to the business because it determines the product market acceptability as delivered, its design, available facilities and amenities, and operational services.	Arthaland, through its property management arm APPS, conducts an annual customer satisfaction survey to identify what needs to be improved on and what is being done right. The survey measures the satisfaction level of the customers with the following building services: • Competence, Effectiveness, Efficiency • Responsiveness, helpfulness • Courtesy, Professionalism • Ease of doing business, and • Quality of Maintenance.

What are the Risks Identified?	Management Approach
Arthaland is known for its sustainable development, quality construction, and excellent operational services. Customer dissatisfaction can negatively influence its reputation, which can affect future purchases.	Arthaland continues to upgrade its sustainable standards through the following: • Compliance with the latest versions of global and national standards: from ASHRAE 2007 to ASHRAE 2013, the inclusion of the Philippine Green Building Code, and • Expanding the scope of its sustainable design, construction, and operations: from LEED and BERDE, previously, to adding EDGE and WELL.
What are the Opportunities Identified?	Management Approach
A customer survey provides satisfaction feedback on project delivery, design and amenities, construction quality, and similar concerns.	Arthaland currently measures customer satisfaction with building design and quality construction through its sales. A formal after-sales survey can be further improved by obtaining more comprehensive feedback.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety ¹⁵	0	#
No. of complaints addressed	0	#

Substantiated complaints include complaints from customers who went through the organization's formal communication channels and grievance mechanisms, as well as complaints lodged before and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Design, construction, and operations affect the health and safety of customers. Product design must be sound enough to integrate health and safety measures. At the same time, operational procedures and services must be well-equipped to respond to any health and safety issues.	Arthaland ensures that experts are engaged in every project to ensure structural integrity and compliance with international and local codes/standards to address the health and safety of the building occupants. Among the code standards followed are: • Fire Code of the Philippines • ASHRAE Ventilation and Acceptable Indoor Air Quality, and • BP 344 for persons with disabilities. During operations, Arthaland ensures that the facility is well maintained, and personnel are trained in case of emergencies. Among the activities that ensure this are:

¹⁵ Substantiated complaints include complaints from customers who went through the organization's formal communication channels and grievance mechanisms, as well as complaints lodged before and acted upon by government agencies.

	• Emergency preparedness training and seminars for both the building staff and the occupants, i.e., residents and household help, and • Building-wide emergency drills.
What are the Risks Identified?	Management Approach
People avoid buildings that are considered unsafe and unhealthy. This can cause serious issues, such as death, and expose the owner/developer to lawsuits and an undesirable reputation.	Arthaland conducts regular building inspections and audits to ensure the building functions and operates as designed.
What are the Opportunities Identified?	Management Approach
One should always be informed of updates on relevant standards and codes for the health and safety of buildings.	Arthaland ensures that its new projects follow the latest applicable codes and standards and that its existing buildings can adopt the changes necessary to comply with the latest codes and standards.

Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labeling	0	#
No. of complaints addressed	0	#

Substantiated complaints include complaints from customers who went through the organization's formal communication channels and grievance mechanisms, as well as complaints lodged before and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The right branding influences a business's success. Claims must be no less than the truth.	Arthaland's sustainability claims are substantiated through third-party certification frameworks that are recognized both locally and internationally. To support marketing and labelling compliance, the Company applies internal controls to help ensure that all public-facing sustainability statements (including the use of certification marks and logos) are accurate, traceable, and consistent with the official status of each development under standards such as LEED™, BERDE, EDGE, and WELL™.
What are the Risks Identified?	Management Approach
Misuse of logos and labels can mislead readers and may be taken as a form of false claims. Erroneous or inaccurate representations in marketing materials have the same effect.	Arthaland follows the logos of the green building rating tools used with appropriate labeling on the status of a project to avoid misinterpretations, as follows: • "Registered" indicates that the project has officially submitted to the certifying body its intentions to vie for the relevant certifications; • "Precertified" indicates that the project design was deemed feasible for certification.

	• “On-track” indicates that the certification of the project is ongoing, and this is usually used when Precertification is not available; and • The label indicates the certification level that was awarded to the project. Variations may apply in the language when referring to specific rating systems.
What are the Opportunities Identified?	Management Approach
The use of logos for advertising informs readers of the Company’s achievements in sustainability.	Arthaland showcases its buildings and achievements according to their correct and official status. Arthaland is true to its core value: " We work with integrity."

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy ¹⁶	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#

Arthaland ensures the privacy and security of its customers’ personal information. All customer data collected during real estate transactions is handled with strict confidentiality. Arthaland adheres to established data privacy agreements, which outline the specifics of data collection, intended use, storage duration, and customer consent for any secondary purposes.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
In real estate, buyers and tenants are the developments’ primary customers. Information gathered through the sale process, such as names, addresses, capacity to pay, etc., is personal information. Companies that can protect their customer’s privacy are deemed trustworthy and reliable.	Arthaland has a data privacy agreement with all its customers, which states the following, among others: • What data have been collected; • Where they will be used; • How these will be stored and for how long; and • Whether the customers consent to disclose their data for other purposes stated in the agreement.

¹⁶ Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints lodged with and acted upon by government agencies.

What are the Risks Identified?	Management Approach
Arthaland's Customer Accounts Management Department handles customer data. Usage thereof for purposes other than for which they were obtained can create dissatisfaction and mistrust in the Company, and possibly, legal action.	Arthaland complies with the Data Privacy Act of 2012 and its implementing rules and regulations, as amended.
What are the Opportunities Identified?	Management Approach
Related policies and procedures should be reviewed and updated to ensure relevance to the present time.	Arthaland reviews its customer privacy policy annually to ensure that it is adequate and relevant.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company's data security dictates the security of its customers' privacy, including its buyers, tenants, and employees.	To limit access to customer data and provide better control and security, Arthaland has separate and dedicated departments to handle customer information, namely, the Sales and Leasing Administration Department, the Customer Accounts Management Department, and the Human Resources and Administration Department.
What are the Risks Identified?	Management Approach
Data leaks or compromises can create customer dissatisfaction and mistrust in the Company, and possibly, legal actions.	Sensitive information within the organization is managed through two distinct methods: digital storage and physical copies. Digitally stored data is safeguarded with restricted and password-protected access using Role-Based Access Control (RBAC) across all systems and Column-Level Security in Dataverse, ensuring comprehensive protection against unauthorized disclosure. Meanwhile, printed materials are securely stored within vaults or promptly shredded upon disposal, minimizing the risk of unauthorized access or exposure.
What are the Opportunities Identified?	Management Approach
Third-party software protection should be reviewed and/or updated regularly to ensure effectiveness.	Arthaland reviews its service providers/ contracts/ procedures regularly to ensure they are up to date and adequate to address present and potential threats.

- End of SOCIAL -

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development

Key Products and Services	Sustainable Developments	
Societal Value / Contribution to UN SDGs	Avoided Negative Impact	Management Approach to Negative Impact
11- Sustainable Cities and Communities 13- Climate action	Buildings are currently responsible for 39% of global energy-related carbon emissions (WorldGBC, 2019). Without a conscious effort to design, construct, and operate sustainably, the building industry will negatively impact the climate.	Arthaland utilizes green building rating tools that are globally and locally relevant to ensure sustainable operations and contributions to climate action. The platforms Arthaland adopts are LEED, BERDE, EDGE, and WELL.
7- Affordable and clean energy 13- Climate action	The significance of a building's GHG emissions depends on its energy source, whether renewable or nonrenewable.	Arthaland is committed to having a development portfolio that is net zero carbon operation by 2030.
6- Clean water and sanitation 7- Affordable and clean energy 12- Responsible consumption and production	Buildings naturally run using resources such as energy and water, but conventional structures commonly consume more resources if they are not designed sustainably.	Arthaland developments are designed to be more energy and water efficient than conventionally designed buildings.
3- Good health and well-being	Sick building syndrome refers to buildings where occupants suffer from symptoms of illness or become infected with chronic disease from the building where they work or reside. The outbreaks may be caused by inadequate building design or operations.	Arthaland adopts the WELL Building Standard to ensure that its developments operate with conscious measures to promote the health and wellness of its occupants. Arthaland designs its developments where all spaces can receive adequate indoor air quality through the following design strategies: • Provide fresh air ventilation compliant with global standards, and • Install an ample filter rating to ensure a fresh, clean air supply.

Key Products and Services	Smart location and sustainable site development	
Societal Value / Contribution to UN SDGs	Avoided Negative Impact	Management Approach to Negative Impact
15- Life on land	Potential displacement of biodiversity and communities	Arthaland avoids developing on lands that displace biodiversity and communities. The primary criteria for Arthaland developments are those that are not: • A natural habitat for endangered species • A high risk for natural disasters (flood, earthquake, storm surge, etc.), or • Agricultural land, or near a wetland or water body Furthermore, Arthaland allocates 30% of its site for open space and vegetation, where endangered plant species are planted.
9- Industry, Innovation, and Infrastructure	Increase in the volume of traffic and pollution in the area	Arthaland designs its buildings so that it can lessen traffic and pollution impact by: • Choosing sites where public transportation is available to provide opportunities for the building occupants to commute instead of driving single-occupancy vehicles • Choosing sites where basic needs and services are within walking distance to provide options for the building occupants to walk instead of riding a car • Provision of no more than code requirement parking capacity to limit single-occupancy vehicle access • Provision for alternative transportation modes such as bicycle facilities and priority parking for green vehicles, and • Engage a traffic consultant to ensure efficient traffic flow.

UN SUSTAINABLE DEVELOPMENT GOALS

Key Products and Services	Green Partnerships	
Societal Value / Contribution to UN SDGs	Avoided Negative Impact	Management Approach to Negative Impact
17- Partnerships for the goals	Endeavors pursued alone have only a minor impact and fewer beneficiaries.	Arthaland is actively partnering with organizations that have aligned sustainability goals. These long-term partnerships are with PHILGBC, USGBC, IFC, IWBI, NZCA, and UN ESCAP.

Key Products and Services	Construction activities by the supply chain	
Societal Value / Contribution to UN SDGs	Avoided Negative Impact	Management Approach to Negative Impact
3- Good health and well-being	Construction can cause air pollution and generate significant waste, adversely affecting the workers' and the community's health and safety.	Arthaland requires its General Contractors to implement best construction practices to prevent construction pollution. Below are the non-government-related requirements of Arthaland's General Contractors: • Implementation of Erosion and Sedimentation Control • Construction Waste Management, and • Construction Indoor Air Quality Management
12- Responsible consumption and production	Due to the increase in demand for construction materials, resources can be depleted.	The General Contractors must target at least 20% of the cost of the materials sourced, procured, and installed as sustainable materials. These materials are defined as materials with recycled content, reused materials, bio-based materials, rapidly renewable materials, or third-party certified green materials.
8- Decent work and economic growth	The high demand for labor work may result in non-compliance with the Labor Code, such as child labor and human rights violations.	General Contractors can provide decent work opportunities to the community where the Arthaland development is located. All general contractors engaged by Arthaland agreed to follow and comply with Labor, Human Rights, and other relevant governmental laws, as well as Arthaland's Code of Business Ethics.

- Nothing follows -

Annex 1

E.2. SUPPLIER ACCREDITATION POLICY

E.2.1. All vendors and their employees, agents, and subcontractors should adhere to the Vendors' Code of Ethics while they are conducting business with and/or on behalf of Arthaland. All vendors should educate their representatives to ensure that they understand and comply with the Code as follows:

a. All vendors and their representatives should conduct their business interactions and activities with integrity and in accordance with their obligations under their specific agreements with Arthaland. In addition to those obligations, all vendors should, without limitation:

- a.1. Honestly and accurately record and report all business information and comply with all applicable laws regarding their completion and accuracy;
- a.2. Create, retain, and dispose of business records in full compliance with all applicable legal and regulatory requirements;
- a.3. Protect and responsibly use both the physical and intellectual assets of Arthaland, including its property, supplies, and equipment when authorized by Arthaland to use such assets;
- a.4. Use Arthaland-provided information technology and systems (including email) only for authorized Arthaland business-related purposes. Arthaland strictly prohibits vendors and their representatives from using Arthaland provided technology and systems to create, access, store, print, solicit or send any material that is intimidating, harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate and/or send any false, derogatory or malicious communications using Arthaland provided information, assets, and systems;
- a.5. Comply with all Arthaland requirements for maintenance of passwords, confidentiality, security, and privacy procedures as a condition of receiving access to Arthaland's internal corporate network, all systems and buildings;

- a.6. Comply with the intellectual property ownership rights of Arthaland and others including but not limited to copyrights, patents, trademarks, and trade secrets;
 - a.7. Speak to the press on Arthaland's behalf only if vendor and/or representative is expressly authorized in writing to do so by one of Arthaland's communications professionals;
 - a.8. Use good judgement, discretion and moderation when offering gifts or entertainment to Arthaland employees. In doing so, the vendor and/or its representatives will refrain from giving Arthaland employees an individual gift or a combination of gifts, or providing any entertainment, that would violate Arthaland's Employees Code of Conduct and Ethics;
 - a.9. In any event, no vendor may ever offer a bribe, kickback, bartering arrangement for goods or services and/or any other incentive to an Arthaland employee in order to obtain or retain Arthaland's business;
 - a.10. Avoid the appearance of or actual improprieties or conflicts of interests. Vendors or their representatives should not deal directly with any Arthaland employee whose spouse, domestic partner or other family member or relative holds a significant financial interest in the vendor. Dealing directly in the course of negotiating the vendor agreement or performing the vendor's obligations with a spouse, domestic partner or other family member of relative who is employed by Arthaland is also prohibited;
 - a.11. Avoid insider trading by buying or selling Arthaland or another company's stock when in possession of information about Arthaland or another company that is not available to the investing public and that could influence an investor's decision to buy or sell stock.
- b. Arthaland vendors should conduct their employment practices in full compliance with all applicable laws and regulations, and should, without limitation:

- b.1. Provide a safe and healthy work environment and fully comply with all applicable safety and health laws, regulations and practices. Vendors should take adequate steps to minimize the causes of hazards inherent in the working environment. While on Arthaland's leased or managed property, vendors should comply with all rules and regulations concerning the operation of the property and the interaction with other individuals with access to the property, whether with Arthaland, its clients, or other vendors, employees or guests. Prohibit the use, possession, distribution, and sale of illegal drugs while on Arthaland owned, leased, or managed property;
 - b.2. Comply with all local minimum working age laws and requirements. Employees should not be under the legal minimum working age of the respective region or should not be less than 18 years of age (whichever is higher);
 - b.3. Not engage in physical discipline or abuse. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is prohibited;
 - b.4. Pay wages and benefits meeting the minimum legal standards. All workers should be provided with clear, written information about their employment conditions with respect to wages before they enter employment and as needed throughout their term of employment. Deductions from wages as a disciplinary measure should not be permitted nor should any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded;
 - b.5. Cooperate with Arthaland's commitment to a workforce free of harassment and unlawful discrimination;
 - b.6. Keep employee records in accordance with local and national regulations.
- c. All Arthaland vendors and their representatives should conduct their business activities in full compliance with the applicable laws and regulations

of their respective countries while conducting business with and/or on behalf of Arthaland. In addition to any specific obligations under the vendor's agreement with Arthaland, all vendors should, without limitation:

- c.1. Comply with the anti-corruption laws of the countries in which it does business;
 - c.2. Conduct business in full compliance with anti-trust and fair competition laws that govern the jurisdictions in which they conduct business;
 - c.3. Comply with all applicable environmental laws and regulations regarding hazardous materials, air emissions, waste and wastewater discharges, including the manufacture, transportation, storage, disposal, and release to the environment of such materials;
 - c.4. Be honest, direct, and truthful in discussions with regulatory agency representatives a government official.
- d. It is the responsibility of the vendor to ensure that its representatives understand and comply with the Vendors' Code of Ethics and to inform its Arthaland contact (or a member of Arthaland Management) if any situation develops that causes the vendor to operate in violation of the code. Company vendors are expected to self-monitor their compliance with the code. In addition to any other rights Arthaland may have under its agreement with vendor, Arthaland may request the immediate removal of any representative who behaves in a manner that is unlawful or inconsistent with this code or any Arthaland policy.
- e. The Vendors' Code of Ethics does not confer, nor should it be deemed to confer, any rights on the part of third parties, including any third-party beneficiary rights. For example, no employee of any vendor should have any rights against Arthaland by virtue of this code, nor should such employees have any rights to cause Arthaland to enforce any provisions of the code, the decision with respect to any such actions being reserved by Arthaland in its sole discretion.

- f. Any questionable behavior or possible violation of the Vendors' Code of Ethics must be reported to the President & CEO of Arthaland with the following contact details:

President & CEO
Arthaland Corporation
7th Floor Arthaland Century Pacific Tower, 5th Avenue corner. 30th St.,
Bonifacio Global City, Taguig, Philippines 1634
T: (02) 8403.6910 F: (02) 8403.6908

Arthaland will not tolerate any retribution or retaliation taken against any individual who has in good faith sought out advice or has reported questionable behavior or a possible violation.