AS94007160

SEC Registration Number

ARTHALAND CORPORATION AND SUBSIDIARIES

(Company's Full Name)

7F ARTHALAND CENTURY PACIFIC TOWER
5TH AVENUE CORNER 30TH STREET
BONIFACIO GLOBAL CITY
TAGUIG CITY

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

MARIVIC S. VICTORIA	**(+632) 8403-6910**
(Contact Person)	(Company Telephone Number)

12	31		17-Q		06	Last Fri
Month	*Day*		(Form Type)		*Month*	*Day*
(Fiscal Year)					(Annual Meeting)	

N.A.

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,899		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

ARTHALAND CORPORATION
(Company's Full Name)

7/F ArthaLand Century Pacific Tower, 5th Avenue corner 30th Street
Bonifacio Global City, Taguig City
(Company's Address)

8403-6910
(Telephone Number)

December 31
(Fiscal year ending)
(month & day)

June 27
(Annual Meeting)

SEC FORM 17 – Q QUARTERLY REPORT
(Form Type)

Amendment Designation (If applicable)

March 31, 2026
(Period Ended Date)

____
(Secondary License Type & File Number)

____
LCU

____
(Cashier)

____
DTU

ASO-94-007160
(SEC Number)

____
Central Receiving Unit

____
File Number

____
Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 11 OF THE
REVISED SECURITIES ACT AND RSA RULE 11(a)-1 (b)(2) THEREUNDER

1. For the quarterly period ended *March 31, 2026*

2. Commission Identification No. *ASO-94-007160*

3. BIR TIN *004-450-721-0000*

4. Exact name of registrant as specified in its character

   ARTHALAND CORPORATION

5. Incorporated in Metro Manila, Philippines on *August 10, 1994*.

6. Industry Classification Code ____________________________(SEC Use Only).

7. Address of registrant's principal office Postal Code
   7/F ArthaLand Century Pacific Tower, 5th Avenue corner 30th Street,
   Bonifacio Global City, Taguig City ***1634***

8. Registrant's Telephone Number : *8403-6910*

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

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

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

11. Are any or all of the securities listed on the Philippine Stock Exchange?
    YES [X] **NO [ ]**

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange – ALL Outstanding Common Shares and Preferred Shares Series D and F ONLY.

12. Indicate by check mark whether the registrant :
    (a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports).
    YES [X] **NO [ ]**
    (b) has been subject to such filing requirements for the past 90 days.
    YES [X] **NO [ ]**

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

See attached.

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

See attached.

PART II - OTHER INFORMATION

There are no other information for the period not previously reported in SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **ARTHALAND CORPORATION**

Signature and Title : **JAIME C. GONZÁLEZ**
President

Signature and Title : **MARIVIC S. VICTORIA**
Chief Finance Officer

Date : May 06, 2026

ITEM 1. Financial Statements Required under SRC RULE 68.1

1. Basic and Diluted Earnings per Share (See attached Income Statement).

2. The accompanying interim consolidated financial statements of **Arthaland Corporation (ALCO)** were prepared in accordance with accounting principles generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standards (PAS).

3. Notes to Financial Statements:

    a. The accompanying interim consolidated financial statements of **ALCO** were prepared in accordance with PFRS. The financial statements have been prepared using the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values, and net retirement liability which is carried at the present value of the defined benefit obligation at the end of the reporting period. The interim consolidated financial statements are presented in Philippine Pesos.

    b. There is no significant seasonality or cycle of interim operations.

    c. There are no material events subsequent to the end of the interim period not previously reported in SEC form 17-C.

    d. Except as otherwise disclosed separately and mentioned in the general information in this Report, there are no changes in the composition of the issuer during the interim period including business combinations, acquisition of subsidiaries and long-term investments, restructurings and discontinuing operations.

    e. There are no material changes in the contingent liabilities or contingent assets since the last annual balance sheet date.

    f. There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

    g. Except as otherwise disclosed separately and excluding those projects already in ALCO's pipeline as outlined in this Report, there are no other material commitments for capital expenditures since the last annual balance sheet date.

    h. Except as otherwise disclosed separately and mentioned in the analysis of financial risks in this Report, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There is no foreseen event that will cause a material change in the relationship between costs and revenues.

    i. There are no material off-balance sheet transactions, arrangements, obligations and other relationship of the company with unconsolidated entities or other persons created during the reporting period.

ARTHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2026 AND DECEMBER 31, 2025

	Note	**MARCH 31, 2026 (UNAUDITED)**	DECEMBER 31, 2025 (AUDITED)
ASSETS			
Cash and cash equivalents	4	**₱1,152,711,454**	₱1,381,114,743
Financial assets at fair value through profit or loss (FVPL)	5	**325,488,024**	271,312,173
Receivables	6	**2,215,659,923**	3,415,177,569
Creditable withholding taxes		**1,186,043,334**	1,125,196,039
Input value-added tax (VAT)		**1,008,622,035**	912,807,838
Contract assets	7	**9,527,678,626**	8,891,243,368
Real estate for sale	8	**12,838,325,129**	13,106,806,103
Investment properties	9	**17,636,841,942**	16,569,289,505
Property and equipment	10	**331,020,470**	312,362,975
Other assets	11	**1,873,026,442**	1,721,732,425
		₱48,095,417,379	₱47,707,042,738
LIABILITIES AND EQUITY			
Liabilities			
Accounts and other payables	12	**₱6,521,271,752**	₱7,010,503,043
Loans payable	13	**19,240,783,704**	18,699,823,576
Bonds payable	14	**2,967,303,846**	2,965,754,165
Contract liabilities	7	**616,064,789**	595,701,610
Advances from non-controlling interests	15	**1,058,519,597**	1,058,519,597
Net retirement liability	22	**63,405,638**	53,898,518
Net deferred tax liabilities	23	**2,803,071,027**	2,674,091,353
Total Liabilities		**33,270,420,353**	33,058,291,862
Equity Attributable to Equity Holders of the Parent Company	16		
Capital stock		**1,004,721,996**	1,004,721,996
Additional paid-in capital		**6,464,321,710**	6,464,321,710
Treasury stock – at cost		**(1,000,000,000)**	(1,000,000,000)
Parent Company's preferred shares held by a subsidiary - at cost		**(26,500,000)**	(26,500,000)
Retained earnings		**5,467,291,263**	5,297,671,791
Other equity reserves		**213,316,409**	213,316,409
		12,123,151,378	11,953,531,906
Non-controlling Interests	15	**2,701,845,648**	2,695,218,970
Total Equity		**14,824,997,026**	14,648,750,876
		₱48,095,417,379	₱47,707,042,738

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

	Note	**MARCH 31, 2026 (UNAUDITED)**	MARCH 31, 2025 (UNAUDITED)
REVENUES	17	**₱1,120,222,840**	₱1,146,513,547
COST AND EXPENSES	18	**681,929,869**	664,997,991
GROSS INCOME		**438,292,971**	481,515,556
OPERATING EXPENSES	19	**(465,075,214)**	(431,994,946)
NET GAIN ON CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES		**742,150,074**	484,728,260
FINANCE COSTS	20	**(423,138,793)**	(323,433,558)
OTHER INCOME – Net	21	**46,772,297**	60,834,669
INCOME BEFORE INCOME TAX		**339,001,335**	271,649,981
PROVISION FOR INCOME TAX	23	**102,933,849**	71,297,989
NET INCOME		**236,067,486**	200,351,992
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME		**₱236,067,486**	₱200,351,992
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**₱260,085,177**	₱147,773,256
Non-controlling interests		**(24,017,691)**	52,578,736
		₱236,067,486	₱200,351,992
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**₱260,085,177**	₱147,773,256
Non-controlling interests		**(24,017,691)**	52,578,736
		₱236,067,486	₱200,351,992
EARNINGS PER SHARE	26		
Basic and diluted		**₱0.0319**	₱ 0.0108

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

	Note	**MARCH 31, 2026 (UNAUDITED)**	MARCH 31, 2025 (UNAUDITED)
CAPITAL STOCK	16		
Common - at ₱0.18 par value			
Issued and outstanding		**₱957,257,136**	₱957,257,136
Preferred - at ₱1.00 par value			
Issued and outstanding		**47,464,860**	47,464,860
		1,004,721,996	1,004,721,996
ADDITIONAL PAID-IN CAPITAL	16	**6,464,321,710**	6,464,321,710
TREASURY STOCK – at cost	16	**(1,000,000,000)**	(1,000,000,000)
PARENT COMPANY'S PREFERRED SHARES HELD BY A SUBSIDIARY - at cost	16	**(26,500,000)**	(26,500,000)
RETAINED EARNINGS	16		
Balance at beginning of period		**5,297,671,791**	5,263,177,339
Net income for the period		**260,085,177**	147,773,256
Dividends declared during the period		**(90,465,705)**	(90,465,705)
Balance at end of period		**5,467,291,263**	5,320,484,890
OTHER EQUITY RESERVES	16		
Balance at beginning and end of period		**213,316,409**	208,982,963
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**₱12,123,151,378**	₱11,972,011,559
NON-CONTROLLING INTERESTS	15		
Balance at beginning of period		**2,695,218,970**	2,337,598,832
Share in net income (loss) during the period		**(24,017,691)**	52,578,736
Increase in deposits for future stock subscription for the period		**30,644,369**	-
Balance at end of period		**2,701,845,648**	2,390,177,568
		₱14,824,997,026	₱14,362,189,127

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

	Note	MARCH 31, 2026 (UNAUDITED)	MARCH 31, 2025 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱339,001,335**	₱271,649,981
Adjustments for:			
Gain on change in FV of investment properties	9	**(742,150,074)**	(484,728,260)
Interest expense	20	**421,172,680**	319,676,327
Gain on repossessions	21	**(20,294,134)**	(2,190,173)
Depreciation and amortization	19	**14,136,930**	16,854,479
Retirement expense	22	**9,507,120**	8,053,324
Realized holding gains	21	**(7,673,537)**	(46,913,251)
Interest income	21	**(6,698,829)**	(36,579,568)
Amortization of initial direct leasing costs		**1,529,159**	1,352,940
Unrealized holding losses (gains)	21	**(1,350,644)**	7,653,751
Foreign exchange loss (gains)	21	**(599,279)**	472,085
Operating income before working capital changes		**6,580,727**	55,301,635
Decrease (Increase) in:			
Receivables		**1,180,753,665**	(619,515,790)
Contract assets		**(964,014,847)**	64,117,728
Input value -added-tax (VAT)		**(95,814,197)**	(71,968,182)
Real estate for sale		**426,245,853**	(525,622,329)
Other assets		**(101,629,234)**	64,202,161
Increase (decrease) in:			
Accounts and other payables		**(602,078,355)**	279,441,287
Contract liabilities		**22,373,354**	132,587,353
Net cash used for operations		**(127,583,034)**	(621,456,137)
Interest received		**6,545,872**	36,579,568
Income taxes paid		**(75,892,376)**	(124,762,848)
Net cash used in operating activities		**(196,929,538)**	(709,639,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from disposal of:			
Financial assets at FVPL		**2,112,848,330**	4,416,863,943
Additions to:			
Financial assets at FVPL		**(2,158,000,000)**	(3,425,000,000)
Property and equipment		**(24,648,721)**	(5,824,017)
Investment properties		**(4,455,396)**	(4,311,338)
Software		**(10,604,580)**	(39,952,406)
Net cash generated from (used in) investing activities		**(84,860,367)**	941,776,182
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans payable		**2,878,683,469**	4,055,787,405
Deposits for future stock subscription from non-controlling interest		**30,644,369**	-
Payments of:			
Loans payable		**(2,343,362,842)**	(5,803,430,595)
Lease liabilities		**(5,424,812)**	(2,402,685)
Dividends		**(90,476,981)**	(90,465,705)
Finance costs		**(417,275,866)**	(328,774,702)
Advances from non-controlling interest		**-**	(46,800,000)
Net cash generated from (used in) financing activities		**52,787,337**	(2,216,086,282)
NET EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS		**599,279**	(472,085)
NET DECREASES IN CASH & CASH EQUIVALENTS		**(228,403,289)**	(1,984,421,602)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,381,114,743**	4,045,963,662
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**₱1,152,711,454**	₱2,061,542,060

See accompanying Notes to Consolidated Financial Statements.

ARTHALAND CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Corporate Information

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

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

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

Composition of the Group

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

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

* incorporated May 14, 2025
**indirectly owned through KHI

All subsidiaries were primarily organized to undertake real estate development or property leasing activities, except for APPS, a property management company, and KHI, an investment holding company.

FLC

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

ZLDC

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

ALCO’s Acquisition of Preferred Shares

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

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

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

Major Projects

Arya Residences

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

Arthaland Century Pacific Tower (ACPT)

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

Cebu Exchange Tower (CebEx)

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

Sevina Park Projects

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

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

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

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

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

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

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

LIV North (formerly Project Teal)
LIV North is a planned two-tower high-rise residential condominium development by Sotern Land Corporation, located along Katipunan Avenue on an approximately 3,700-sqm property. LIV North, the first tower, was launched in August 2025 with completion targeted in 2031. It is designed as a sustainable residential community and aims to achieve LEED, EDGE, WELL, and BERDE certifications.

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

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

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

Project Olive

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

Approval of the Interim Consolidated Financial Statements

The interim consolidated financial statements of the Group as at and for the three (3) months ended March 31, 2026 were approved and authorized for issue by the Board of Directors (BOD) on May 6, 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim consolidated financial statements as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025 have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. They do not include all of the information and disclosures required in the annual audited consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2025.

Measurement Bases

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

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

Adoption of Amendments to PFRS

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

New and Amended PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amended PFRS Accounting Standards, which are not yet effective as at March 31, 2026 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

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

Basis of Consolidation

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

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

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

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

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

Financial Assets at Amortized Cost

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

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

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

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

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

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

Financial Assets at FVPL

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

Financial Liabilities at Amortized Cost

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

Creditable Withholding Taxes (CWT)

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

Value-Added Tax (VAT)

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

Contract Balance

Contract Assets. A contract asset represents the Group's right to a consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than a passage of time. Contract assets arise when revenue is recognized before the Group obtains an unconditional right to consideration. When the Group's right to consideration becomes unconditional, the contract asset is reclassified to trade receivables. Contract assets primarily relate to unbilled amounts arising from real estate sales recognized over time using percentage of completion (POC) method. Contract assets are assessed for impairment using the simplified ECL approach under PFRS 9, with lifetime ECL recognized from initial recognition.

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

Real Estate for Sale

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

Cost includes acquisition cost plus any other directly attributable costs of developing the asset to its saleable condition and location. Directly attributable costs include amounts paid to contractors, planning and designing costs, costs of site preparation and construction overheads.
NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs to complete and the estimated costs to sell. NRV is determined with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion.

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

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

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For transfers from real estate for sale to investment property, the property is measured at its fair value at the date of change in use. Any difference between the fair value and the property's previous carrying amount as real estate for sale is recognized in profit or loss.
Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sell. For transfers from investment property carried at fair value to real estate for sale, the fair value of the investment property at the date of change in use is treated as its deemed cost for subsequent accounting as real estate for sale in accordance with PAS 2, Inventories.

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

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

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

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

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

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

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

Other Assets

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

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

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

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods and deferred input VAT for unbilled purchases.

In accordance with Revenue Memorandum Circular (RMC) No. 21-2022, the amortization of the input VAT shall only be allowed until December 31, 2021, after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized.

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

Impairment of Nonfinancial Assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-controlling Interests
Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. These are within equity presented in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of income and consolidated statements of comprehensive income. Non-controlling interests consist of the amount of those interests at the date of original business combination and the non-controlling interests' share on changes in equity since the date of the business combination.

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

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

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

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

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

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

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

The Group assesses the collectability of consideration based on the customer's ability and intention to pay.

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

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

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

In the event of contract cancellation due to buyer default, the Group derecognizes the related contract asset and receivable balances and recognizes the repossessed property at its fair value less costs to repossess, with any resulting gain or loss recognized in profit or loss.

Accordingly, the consideration is not adjusted for the effects of the time value of money.

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

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

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

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

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

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

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

<u>Cost and Expenses Recognition</u>

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

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

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

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

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

Share-based Compensation

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

Leases

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

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

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

ROU Assets. At commencement date, the Group measures the ROU assets at cost. The cost comprises of amount of the initial measurement of lease liabilities and any initial direct costs incurred by the Group.

ROU assets are recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and adjusted for any remeasurement of the related lease liabilities. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

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

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

Employee Benefits

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

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

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

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

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs.
Remeasurements pertaining to actuarial gains and losses and return on plan assets are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

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

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

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

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

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

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

Related Party Transactions

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

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

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

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment reporting a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 29.

Provisions and Contingencies

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

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

Events After the Reporting Period

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of asset, liabilities, income and expenses. The accounting estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgments

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

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

Determining Control or Joint Control over an Investee Company. Control is presumed to exist when an investor has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group has determined that by virtue of the Parent Company's majority ownership of voting rights in its subsidiaries as at March 31, 2026, and December 31, 2025, it has the ability to exercise control over these investees.

Determining Revenue Recognition Method and Measure of Progress. The Group recognizes revenue from the sale of real estate units over time as the performance obligation is satisfied. In applying PFRS 15, Revenue from Contracts with Customers, management exercises judgment in determining that the criteria for over-time revenue recognition are met. Management concluded that the Group's performance does not create an asset with an alternative use to the Group because the real estate unit promised in the contract is specifically identified and the Group is contractually restricted from redirecting the unit to another customer without breaching the contract. Management also determined that the Group has an enforceable right to payment for performance completed to date, including a reasonable margin, in the event the contract is terminated by the customer other than for the Group's failure to perform.

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

The amount of revenue from real estate sales recognized based on POC for the three months ended March 31, 2026 and 2025 are disclosed in Note 17. The related cost of real estate sales for the period ending March 31, 2026 and 2025 are disclosed in Note 18.

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

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

The amount of interest from real estate sales for the three months ended March 31, 2026 and 2025 is disclosed in Note 17.

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

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

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

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

In making this judgment, management considers several factors including:

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

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

The carrying amounts of real estate for sale, investment properties and property and equipment as at March 31, 2026 and December 31, 2025 are disclosed in Notes 8, 9 and 10, respectively.

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

The carrying amounts of investment properties as at March 31, 2026 and December 31, 2025 are disclosed in Note 9.

Determining Lease Commitments - Group as Lessor. The Group entered into various lease contracts for its office units in ACPT, retail units in Arya Residences, office units in Savya Financial Center, commercial and office units in Cebu Exchange, and dormitory units in Sevina Park's Courtyard Hall. The Group has determined that the risks and benefits of ownership related to the leased properties are retained by the Group. Accordingly, the leases are accounted for as operating leases.

The amount of revenue from leasing operations recognized from these operating leases for the three months ended March 31, 2026 and 2025 are disclosed in Note 17.

Classifying Lease Commitments - Group as a Lessee. The Group has entered into lease agreements as a lessee. For these leases, the Group availed of the exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on short-term leases were recognized as expense on a straight-line basis over the lease term. Rent expense on short-term leases on land and building with less than 12 months term are disclosed in Note 19.

Additionally, the Group entered into non-cancellable lease agreements for transportation equipment for a period of three (3) to five (5) years. Accordingly, ROU asset and lease liability have been recognized. The carrying amounts of ROU asset and lease liability are disclosed in Notes 10 and 12, respectively.

Accounting Estimates and Assumptions

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

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

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

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

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

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

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

Any changes in estimates are recognized prospectively in the period in which the changes are identified.

In 2025, the management increased its estimated of the total project development costs of Bhavana's Lucima project resulting in additional cost of real estate sales of ₱438.4 million. The impact of such change in estimate was recognized prospectively in accordance with PFRS 15, *Revenue from Contracts with Customers.*

The amount of revenue from real estate sales recognized based on POC and the related cost of real estate sales incurred for the three months ended March 31, 2026 and 2025 are disclosed in Notes 17 and 18, respectively.

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

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

Following the adoption of PIC Q&A No. 2018-12, the Group recognized significant financing component in its revenue. The amount of interest from real estate sale in the 1st quarter of 2026 is disclosed in Note 17.

Estimating Fair Value of Investment Properties. Investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The Group estimates expected future cash flows, yields, occupancy rates and discount rates. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 9.

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

The carrying amounts of investment properties as at March 31, 2026 and December 31, 2025 are disclosed in Note 9.

Determining NRV of Real Estate for Sale. Real estate for sale is stated at lower of cost or NRV. NRV for completed real estate for sale is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate assets under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less estimated costs to sell. The determination of NRV requires significant estimation, particularly with respect to future selling prices and remaining development costs, which are influenced by market demand, construction cost trends, and other economic factors. Changes in these assumptions may result in adjustments to the carrying amount of real estate for sale in future periods. No provision for inventory obsolescence was recognized for the three months ended March 31, 2026 and 2025. The carrying amounts of real estate for sale as at March 31, 2026 and December 31, 2025 are disclosed in Note 8.

Assessing the ECL on Trade Receivables and Contract Assets. The Group assessed the ECL on trade receivables and contract assets and concluded that the resulting impairment is not material, taking into account historical collection experience and the underlying collateral provided by the related real estate units. No provision for ECL was recognized for the three months ended March 31, 2026 and 2025. The carrying amounts of the Group's trade receivables and contract assets as at March 31, 2026 and December 31, 2025 are disclosed in Notes 6 and 7, respectively.

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

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

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

Based on this assessment, no provision for ECL on these financial assets was recognized for the period ending March 31, 2026 and 2025.

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

There were no changes in the estimated useful lives of property and equipment and software and licenses for the three months ended March 31, 2026 and 2025.

The carrying amounts of property and equipment and software and licenses as at March 31, 2026 and December 31, 2025 are disclosed in Note 10 and 11, respectively.

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

Based on management's assessment, no impairment loss on nonfinancial assets was recognized for the three months ended March 31, 2026 and 2025.

Estimating Retirement Liability. The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 22 and include among others, discount rate and salary increase rate. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect net retirement liability.

The carrying amounts of net retirement liability as at March 31, 2026 and December 31, 2025 are disclosed in Note 22.

Assessing the Realizability of Deferred Tax Assets. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and NOLCO is based on the projected taxable income in the following periods.

Based on the projection, not all future deductible temporary differences will be realized, therefore, certain portion of deferred tax assets was not recognized.

As at March 31, 2026 and December 31, 2025, the carrying amounts of deferred tax assets are disclosed in Note 23.

4. CASH AND CASH EQUIVALENTS

This account consists of:

	March 2026	December 2025
Cash on hand	**₱226,530**	₱225,860
Cash in banks	**863,427,763**	994,966,262
Cash equivalents	**289,057,161**	385,922,621
	₱1,152,711,454	₱1,381,114,743

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

5. FINANCIAL ASSETS AT FVPL

Financial assets at FVPL amounting to ₱325.5 million and ₱271.3 million as at March 31, 2026 and December 31, 2025, respectively, represent units of participation in money market fund.

Financial assets at FVPL include unrealized gain (loss) amounting to ₱1.4 million and (₱7.7 million) for the three months ended March 31, 2026 and 2025, respectively, and included as part of "Other income" account in the interim consolidated statements of comprehensive income. Realized gain on disposals of financial assets at FVPL amounted to ₱7.7 million and ₱46.9 million for the three months ended March 31, 2026 and 2025, respectively (see Note 21).

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

6. RECEIVABLES

This account consists of:

	March 2026	December 2025
Trade receivables from:		
Sale of real estate	**₱1,765,770,597**	₱2,426,309,549
Leasing	**60,278,707**	100,615,456
Receivable from sale of interest in subsidiary	**204,831,916**	724,831,916
Advances to employees	**30,327,138**	19,101,526
Other receivables	**156,198,355**	146,065,912
	2,217,406,713	3,416,924,359
Allowance for ECL	**(1,746,790)**	(1,746,790)
	₱2,215,659,923	₱3,415,177,569

The aging analysis of receivables is shown below:

		Past Due But Not Impaired				
	Neither Past Due nor Impaired	Within 6 months	7 months to 1 year	More than 1 year	Past due and impaired	TOTAL
Receivables	₱1,753,664,101	75,581,895	42,901,644	341,765,493	1,746,790	₱2,215,659,923

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

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

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

Provision for ECL amounting to ₱1.7 million was recognized in 2022 and recorded as part of “Others” under “Operating expenses” in the consolidated statements of comprehensive income.

7. CONTRACT ASSETS AND CONTRACT LIABILITIES

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

	March 2026	December 2025
Contract assets	**₱9,527,678,626**	₱8,891,243,368
Contract liabilities	**616,064,789**	595,701,610
Net contract assets	**₱8,911,613,837**	₱8,295,541,758

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

Contract liabilities pertain to downpayments received from the real estate buyers at the inception of the contracts in which the related revenue is not yet recognized as at March 31, 2026 and December 31, 2025.

8. REAL ESTATE FOR SALE

This account consists of:

	March 2026	December 2025
Land and assets under construction	**₱8,988,306,023**	₱11,743,425,793
Office units for sale	**3,850,019,106**	1,363,380,310
	₱12,838,325,129	₱13,106,806,103

Land and Assets under Construction

These consist of land and development costs of ongoing real estate projects of the Group. As at March 31, 2026, this account includes the land and development costs of Sevina Park, Una Apartments, Lucima, Eluria, Liv North, and other land acquisitions of the Group (see Note 1).

The land of Lucima Residences with carrying amount of ₱794.5 million is used as security for the bank loan of Bhavana with outstanding balance of ₱438.0 million and ₱627.5 million as at March 31, 2026 and December 31, 2025, respectively.

The land of Eluria with carrying amount of ₱780.4 million is used as security for the bank loan of Bhavya with outstanding balance of ₱776.7 million and ₱811.2 million as at March 31, 2026 and December 31, 2025, respectively.

The land of Sevina Park with carrying amount of ₱658.8 million used as security for the bank loan of Cazneau with outstanding balance of ₱99.0 million and ₱262.3 million as at March 31, 2026 and December 31, 2025, respectively.

The land of Sondris with carrying amount of ₱1,810.9 million is used as security for the bank loan of Zileya with outstanding balance of ₱1,165.8 million and ₱1,113.1 million as at March 31, 2026 and December 31, 2025, respectively.

In 2025, SLDC transferred certain parking slots to “Investment properties” account from “Real estate for sale” account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 9).

Office Units for Sale

The carrying amount of these assets were transferred from the cost of Land and Assets under construction to Office units for sale following the completion of the projects.

On March 30, 2026, CLLC reclassified properties from “Real Estate for Sale” to “Investment Properties” with a carrying amount of ₱322.5 million. The reclassification was made following a change in use of the properties, as evidenced by approval from the Board of Directors (see Note 9).

Repossessions arising from cancellation of sales due to buyer’s default in payments represent previously sold units which were recorded back as “Real estate for sale”. These are recorded at fair value less cost to repossess and are held for sale in the ordinary course of business. Gain on repossession amounted to ₱20.3 million and ₱2.2 million in March 31, 2026 and 2025, respectively, recorded under “Other Income - net” account in the interim consolidated statements of comprehensive income (see Note 21).

NRV of Real Estate for Sale

Real estate for sale is stated at cost which is lower than its NRV and there is no allowance for inventory obsolescence as at March 31, 2026 and December 31, 2025.

9. INVESTMENT PROPERTIES

This account consists of:

	March 2026	December 2025
ACPT	**₱8,054,236,037**	₱8,052,704,020
Cebu Exchange	**4,727,020,420**	3,661,000,000
Arya Residences:		
Retail units	**1,464,000,000**	1,464,000,000
Parking slots	**203,000,000**	203,000,000
Land:		
UPHI’s Laguna and Tagaytay properties	**1,393,428,475**	1,393,428,475
ALCO’s Batangas and Tagaytay properties	**389,231,010**	389,231,010
Savya Financial Center	**878,000,000**	878,000,000
Courtyard Hall	**527,926,000**	527,926,000
	₱17,636,841,942	₱16,569,289,505

ACPT

Carrying amount of ACPT includes office units and parking slots for lease. The bank loan for which ACPT was used as collateral was fully paid in July 2025.

Cebu Exchange

On March 30, 2026, CLLC reclassified certain properties from “Real Estate for Sale” to “Investment Properties” following a change in use approved by the Board of Directors. At the date of transfer, the properties had a carrying amount of ₱322.5 million (see Note 8).

These transfers were made as a result of changes in the use of properties as approved by the BOD (see Note 8).

The carrying amount of Cebu Exchange includes office and retail units and parking slots for lease.

Cebu Exchange office units and parking spaces are used as collateral for loans payable amounting to ₱1,590.3 million and ₱1,593.7 million as at March 31, 2026 and December 31, 2025, respectively (see Note 13).

Arya Residences

Retail units and parking slots in Arya Residences are used for leasing operations.

Land

UPHI's raw land, with fair value amounting to ₱1,393.4 million as at March 31,2026 and December 31, 2025, has a total area of 33 hectares and are located at Barangay Gonzalo Bontog, Calamba City and Barangay Calabuso, Tagaytay City Part of UPHI's land was expropriated by NAPOCOR, leading to court proceedings. While others appealed for the compensation amount, UPHI plans to settle with the NTC (NAPOCOR's successor) since it can no longer use the property. Management believes this settlement won't significantly impact on the consolidated financial statements but could help recover the property's cost.

Moreover, UPHI filed a complaint for quieting of title on October 18, 2010, due to incorrect tax declarations by the City of Tagaytay for its Calamba City property. The trial court ruled in UPHI's favor in June 2020. The defendants appealed to the CA, but on July 31, 2023, the CA upheld the trial court's decision. Their Motions for Reconsideration were also denied on February 15, 2024. Both filed petitions for review under Rule 45 of the Rules of Court before the Supreme Court in April 2024 while UPHI submitted its Comment/Opposition to the same in October 2024.

The Supreme Court rendered its Decision on August 11, 2025 denying the consolidated petitions and affirmed the Order of the trial court dated July 31, 2023 and the Resolution of the CA dated February 15, 2024. The City of Tagaytay and one of the individual defendants filed their Motions for Reconsideration on March 7, 2026 and March 24, 2026, respectively.

ALCO's Batangas and Tagaytay properties have a total area of 10.3 hectares.

Savya Financial Center

The carrying amount of Savya Financial Center includes office units and parking slots for lease.

In 2025, SLDC transferred certain parking slots to "Investment properties" account from "Real estate for sale" account amounting to ₱27.7 million. These transfers were made as a result of changes in the use of the properties as approved by the BOD (see Note 9).

Courtyard Hall

Courtyard Hall of Cazneau used for leasing operations were recognized at fair value amounting to ₱527.9 million as at March 31,2026 and December 31, 2025. The land attributable to Cazneau's retail spaces and Courtyard Hall with carrying amount of ₱393.5 million as at March 31,2026 and December 31, 2025, was used as part of the collaterals for a long-term facility of Cazneau with an outstanding balance of ₱99.0 million and ₱262.3 million as at March 31, 2026 and December 31, 2025, respectively.

Fair Value Measurement

Details of the valuation techniques used in measuring fair values of investment properties, as appraised by a SEC-accredited and independent appraiser (Asian Appraisal) in its report as at March 31,2026, are classified under Levels 2 and 3 of the fair value hierarchy as follows:

Class of Property	Valuation Technique	**Significant Inputs**	**March 2026**	December 2025
ACPT	Discounted cash flow approach (DCF)	**Rental rate for an office unit per square meter (sqm)**	**₱1,850**	₱1,850
		Rental rate per parking slot	**₱9,500**	₱9,500
		Discount rate	**8.63%**	8.63%
		Vacancy rate	**Not material / negligible**	Not material / negligible
		Calculated no. of net leasable area (total sqm)	**18,059**	18,059
		Income tax rate	**25%**	25%
Cebu Exchange:				
Retail units	Discounted cash flow approach	Rental rate per square meter (sqm)	**₱1,470**	₱1,470
		Rent escalation rate per annum (p.a.)	**5%**	5%
		Discount rate	**8.57%**	8.63%
		Vacancy rate	**25%**	25%
		Income tax rate	**25%**	25%
Office units	Discounted cash flow approach	Rental rate per sqm	**₱940**	₱940
		Rent escalation rate p.a.	**5%**	5%
		Discount rate	**8.57%**	8.63%
		Vacancy rate	**Not material / negligible**	Not material / negligible
		Income tax rate	**25%**	25%
Parking slots	Discounted cash flow approach	Rental rate per slot	**₱5,812**	₱5,812
		Rent escalation rate p.a.	**5%**	5%
		Discount rate	**8.57%**	8.63%
		Vacancy rate	**40%**	40%
		Income tax rate	**25%**	25%
Arya Residences:				
Retail units	Discounted cash flow approach	Rental rate per sqm	**₱3,300**	₱3,300
		Rent escalation rate p.a.	**7%**	7%
		Discount rate	**8.63%**	8.63%
		Vacancy rate	**5%**	5%
		Income tax rate	**25%**	25%
Parking slots	Discounted cash flow approach	Rental rate per slot	**₱8,500**	₱8,500
		Rent escalation rate p.a.	**7%**	7%
		Discount rate	**8.63%**	8.63%
		Vacancy rate	**5%**	5%
		Income tax rate	**25%**	25%
Land:				
UPHI's Laguna and Tagaytay properties	Market data approach	Price per sqm	**₱4,200**	₱4,200
		Value adjustments	**-15% to 10%**	-15% to 10%
Cazneau's Laguna Properties	Market data approach	Price per sqm	**₱102,000**	₱102,000
		Value adjustments	**-15% to -10%**	-15% to -10%
ALCO's Batangas and Tagaytay properties	Market data approach	Price per sqm	**₱3,600 – ₱3,800**	₱3,600 – ₱3,800
		Value adjustments	-25% to 45%	-25% to 45%
Savya Financial Center				
Retail units	DCF approach	Rental rate per sqm	**₱800**	₱800
		Rent escalation rate p.a.	**0% - 6%**	0% - 6%
		Discount rate	**8.63%**	8.63%
		Vacancy rate	**Not material / negligible**	Not material / negligible
		Income tax rate	**25%**	25%
Parking slots	DCF approach	Rental rate per sqm	**₱5,200**	₱5,200

Class of Property	Valuation Technique	**Significant Inputs**	**March 2026**	December 2025
		Rent escalation rate p.a.	**0% - 5%**	0% - 5%
		Discount rate	**8.63%**	8.63%
		Vacancy rate	**Not material / negligible**	Not material / negligible
		Income tax rate	**25%**	25%
Courtyard Hall	Depreciated replacement Method	Estimated replacement cost	**₱170,297,000**	₱170,297,000
		Remaining economic life	**31 years**	31 years

Details of the valuation techniques used in measuring fair values of investment properties are as follows:

Discounted Cash Flow Approach

Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market-derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Sensitivity Analysis. Generally, significant increases (decreases) in rental rate per sq.m. or per slot and rent escalation rate p.a. in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in discount rate and vacancy rate in isolation would result in a significantly lower (higher) fair value measurement.

Market Data Approach

Market data approach involves the comparison of the UPHI's Laguna and Tagaytay properties, Cazneau's Laguna properties and ALCO's Batangas and Tagaytay properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size and architectural features among others.

Depreciated Replacement Cost Method

Depreciated replacement cost method is used to estimate valuation of Courtyard Hall by computing for the replacement cost of the assets and applying appropriate adjustments for physical deterioration and functional and economic obsolescence.

10. PROPERTY AND EQUIPMENT

The balances and movements of this account consist of:

	March 2026							
	Building and Building Improvements	**Transportation Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Leasehold Improvements**	**Construction in Progress**	**ROU Asset**	**Total**
Cost								
Balance at beginning of period	**₱257,810,012**	**₱66,720,075**	**₱76,259,220**	**₱111,901,742**	**₱78,500**	**₱21,351,868**	**₱67,274,000**	**₱601,395,417**
Additions	**378,315**	**-**	**1,958,036**	**162,577**	**-**	**22,149,793**	**5,490,000**	**30,138,721**
Disposals	**-**	**-**	**(893,797)**	**-**	**-**	**-**	**-**	**(893,797)**
Balance at end of period	**258,188,327**	**66,720,075**	**77,323,459**	**112,064,319**	**78,500**	**43,501,661**	**72,764,000**	**630,640,341**
Accumulated Depreciation and Amortization								
Balance at beginning of period	**55,013,478**	**47,754,350**	**64,271,628**	**104,307,130**	**78,500**	**-**	**17,607,356**	**289,032,442**
Depreciation and amortization	**1,226,021**	**2,398,261**	**2,264,241**	**1,026,314**	**-**	**-**	**4,566,389**	**11,481,226**
Disposals	**-**	**-**	**(893,797)**	**-**	**-**	**-**	**-**	**(893,797)**
Balance at end of period	**56,239,499**	**50,152,611**	**65,642,072**	**105,333,444**	**78,500**	**-**	**22,173,745**	**299,619,871**
Carrying Amount	**₱201,948,828**	**₱16,567,464**	**₱11,681,387**	**₱6,730,875**	**₱-**	**₱43,501,661**	**₱50,590,255**	**₱331,020,470**

	December 2025							
	Building and Building Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	ROU Asset	Total
Cost								
Balance at beginning of year	₱256,707,392	₱80,315,611	₱65,806,721	₱110,863,832	₱78,500	₱–	₱29,028,000	₱542,800,056
Additions	1,102,620	–	10,452,499	1,037,910	–	21,351,868	38,246,000	72,190,897
Disposals	–	(13,595,536)	–	–	–	–	–	(13,595,536)
Balance at end of year	257,810,012	66,720,075	76,259,220	111,901,742	78,500	21,351,868	67,274,000	601,395,417
Accumulated Depreciation and Amortization								
Balance at beginning of year	50,126,062	48,273,878	54,772,115	83,405,040	78,500	–	4,526,000	241,181,595
Depreciation and amortization	4,887,416	13,076,008	9,499,513	20,902,090	–	–	13,081,356	61,446,383
Disposals	–	(13,595,536)	–	–	–	–	–	(13,595,536)
Balance at end of year	55,013,478	47,754,350	64,271,628	104,307,130	78,500	–	17,607,356	289,032,442
Carrying Amount	₱202,796,534	₱18,965,725	₱11,987,592	₱7,594,612	₱–	₱21,351,868	₱49,666,644	₱312,362,975

Depreciation and amortization on property and equipment were included as part of "Operating expenses" and "Cost of services" account in the interim consolidated statements of comprehensive income.

11. OTHER ASSETS

This account consists of:

	March 2026	December 2025
Advances for project development and land acquisition	**₱789,281,407**	₱832,690,186
Amounts held in trust and in escrow	**341,048,000**	289,782,733
Prepayments	**295,723,377**	219,875,442
Net deferred tax assets (Note 23)	**210,623,605**	169,532,699
Deposits	**141,288,782**	142,030,117
Software and licenses	**91,772,722**	83,823,848
Deferred input VAT	**19,291,149**	-
	1,889,029,042	1,737,735,025
Allowance for impairment loss	**(16,002,600)**	(16,002,600)
	₱1,873,026,442	₱1,721,732,425

Advances for project development and land acquisition pertain to downpayments made to contractors for the construction and acquisition of land of the Group's real estate projects. These advances are applied against progress billings and upon transfer of land.

Amounts held in escrow represent the debt service account required under existing loans with certain banks, the amount of which is equivalent to a quarterly principal and interest amortization and in relation to property acquisition under sale and purchase agreement. Amounts held in trust represent cash in bank held under trust pursuant to Bhavana and Bhavya's applications for socialized housing with the Department of Human Settlements and Urban Development in relation to its projects.

Prepayments consist of rent, taxes, insurance and other expenses which are amortized over a year, and of prepaid commissions, amortized over the lease term for leasing and based on percentage of completion for selling.

Deposits pertain to utility deposits, deposits for professional services, guarantee and other deposits for the construction of the Group's real estate projects. Deposits are settled upon completion of the documentary requirements.

The carrying amount of software and licenses amounted to ₱91.8 million and ₱83.8 million as at March 31, 2026 and December 31, 2025, respectively. Amortization of software and licenses amounted to ₱2.7 million and ₱9.2 million for the period ended March 31, 2026 and December 31, 2025, respectively, are recorded as part of "Depreciation and amortization" account in the interim consolidated statements of comprehensive income.

12. ACCOUNTS AND OTHER PAYABLES

This account consists of:

	March 2026	December 2025
Accounts payable	**₱508,767,637**	₱549,263,961
Payable for the purchase of land	**1,860,247,000**	1,860,247,000
Accrued expenses	**1,691,834,861**	2,121,903,850
Deferred output VAT	**1,132,762,909**	1,170,312,492
Retention payable	**666,266,694**	672,178,812
Advances from buyers	**224,567,940**	220,418,284
Security deposits	**140,587,412**	147,467,673
Advance rent	**103,711,769**	72,485,342
Statutory payable	**69,437,506**	73,752,488
Lease liability	**53,401,631**	51,920,116
Dividends payable	**4,385,716**	4,396,992
Others	**65,300,677**	66,156,033
	₱6,521,271,752	₱7,010,503,043

Accounts payable, which are non-interest bearing and are normally settled within 30 days to one (1) year, consist mainly of liabilities to contractors and suppliers.

Payable for the purchase of land pertains to the land acquired in Banilad Road, Cebu City. The balance is payable based on a payment schedule as stated in the contract, with the last installment due on 2028.

Accrued expenses are expected to be settled within the next 12 months which pertain to construction costs, interest, management and professional fees, utilities, commissions, advertising and other expenses.

Deferred output VAT pertains to VAT from sales of property on installments. If the payments in the year of sale do not exceed twenty-five percent (25%) of the gross selling price, the sale will be considered under installment, in which case VAT will be paid based on collections.

Retention payable, which will be released after completion and satisfaction of the terms and conditions of the construction contract, pertains to amount retained by the Group from the contractors' progress billings for the real estate projects of the Group.

Advances from buyers include reservation fees and collections received from prospective lessees or buyers, which are and to be applied as security deposits upon execution of lease contracts or against the total contract price of the real estate sale. These are recorded at face amount.

Advance rent pertains to the payments made in advance by the tenants to be applied to their rent payable in the immediately succeeding months or in the last three (3) months of the lease term.

Statutory payables pertain to various withheld taxes payable to the government agencies which are generally paid within the next reporting period.

The balance and movements in lease liabilities as of March 31, 2026 and December 31, 2025, are as follows:

	March 2026	December 2025
Beginning Balance	**₱51,920,116**	₱25,187,149
Additions	**5,490,000**	38,246,000
Rental payments	**(5,424,812)**	(15,845,305)
Interest expense	**1,416,327**	4,332,272
Balance at end of period	**53,401,631**	51,920,116
Current portion of lease liability	**18,862,775**	16,632,437
Noncurrent portion of lease liability	**₱34,538,857**	₱35,287,679

Other payables include construction bonds, liabilities to SSS, PhilHealth and HDMF, payables to certain buyers as at cutoff date

13. LOANS PAYABLE

This account consists of:

	March 2026	December 2025
Local banks	**₱19,187,559,734**	₱18,646,599,606
Private funders	**53,223,970**	53,223,970
	₱19,240,783,704	₱18,699,823,576

Local bank loans

Loans from local banks consist of interest-bearing secured and unsecured loans obtained to finance project development and working capital requirements of the Group and carries interest rates ranging from 6.17% to 9.10% p.a. in March 31, 2026 and December 31, 2025.

Details of outstanding local bank loans as at March 31, 2026 and December 31, 2025 follow:

Purpose	Terms and Security	Effective interest rate (p.a.)	**MARCH 2026**	DECEMBER 2025
Short-term loans for working fund requirements	Unsecured and payable in full within one (1) year	7.0% to 8.85%	**₱1,922,514,417**	₱2,411,354,634
Short-term loan for working fund requirement of Savya	Unsecured and payable in full within one (1) year	7.50% to 8.50%	**1,245,884,100**	1,332,644,900
Short-term loan of Eluria	Unsecured and payable in full within one (1) year	7.50%	**194,395,500**	125,444,000
Short-term loan for working fund requirement of Cazneau	Unsecured and payable in full within one (1) year	7.50% to 8.50%	**394,488,839**	326,045,000
Short-term loan for working fund requirement of Lucima	Unsecured and payable in full within one (1) year	7.50%	**154,850,000**	87,000,000
Project Development and Land Acquisitions	Payable on a quarterly basis starting 2028 to 2030; secured by 51 office and commercial units and 336 parking slots of ACPT with carrying amount of ₱8,054.2 million and ₱8,052.7 million (see Note 9), and a debt	7.13%	**1,488,433,246**	1,488,809,680

Purpose	Terms and Security	Effective interest rate (p.a.)	**MARCH 2026**	DECEMBER 2025
	service reserve account amounting to ₱26.2 million as at March 31, 2026			
Development of Green Projects	Payable on a quarterly basis starting 2028 to 2030; secured by real estate mortgage over 38 office units and parking spaces of Cebu Exchange Tower Properties with carrying amount of ₱2,127.9 million (see Note 9) and a debt service reserve account amounting to ₱19.3 million as at December 31, 2025	7.47%	**984,325,101**	983,725,394
Construction of Eluria	Payable on a quarterly basis starting 2025 until 2027; secured by Eluria property with carrying amount of ₱780.4 million as at March 31, 2026 and December 31, 2025 (see Note 8), and an escrow account amounting to ₱19.4 million and ₱21.9 million as at March 31, 2026 and December 31, 2025, respectively.	6.37% to 9.10%	**776,721,273**	811,212,939
Construction of Lucima	Payable on a quarterly basis starting 2024 until 2026; secured by Lucima Residences property with carrying amount of ₱794.5 million as at March 31, 2026 and December 31, 2025 (see Note 8), and an escrow account amounting to ₱22.9 million and ₱30.1 million as at March 31, 2026 and December 31, 2025, respectively.	6.17% to 8.78%	**438,021,169**	627,507,212
Construction of Sevina Park	Payable on a quarterly basis starting November 2023 until August 2026; secured by raw land with carrying amount of ₱342.8 million (see Note 8), land attributable to courtyard hall with carrying amount of ₱393.5 million as at March 31, 2026, and an escrow account amounting to ₱30.1 million and ₱28.9 million as at March 31, 2026 and December 31, 2025, respectively.	6.25% to 8.49%	**99,047,862**	262,309,470
Construction of Sondris	Payable on a quarterly basis starting 3rd quarter of 2028 until July 2030; secured by land with carrying amount of ₱178.9 million (see Note 8) and a deposit hold out account amounting to ₱20.3 million as at December 31, 2025	7.31% to 7.77%	**1,165,791,907**	1,113,111,353
Credit facility agreement for financing of receivables from buyers of units and parking slots in Savya Financial Center	Payable in full in 2025 and 2026; secured by receivables and contract assets from buyer of units and parking slots in Savya Financial Center	6.50% to 6.75%	**168,879,288**	168,879,288
Credit facility agreement for financing of receivables from buyers of units in Cazneau	Payable from 2025 to 2027; secured by receivables and contract assets from buyers of units in Sevina Park Villas and Una Apartment T1	6.75% to 8.25%	**2,212,857,927**	2,006,594,173
Credit facility agreement for financing of receivables from buyers of units in Lucima.	Payable in full in 2026; secured by receivables and contract assets from buyer of units and parking slots in Lucima	7.16% to 7.75%	**711,305,070**	629,842,825
Credit facility agreement for financing of receivables from buyers of units and parking slots in Eluria	Payable in full in 2026 and 2027; secured by receivables and contract assets from buyers of units in Eluria	7.25% to 8.00%	**1,289,160,547**	1,202,666,255
Long-term loans for working fund requirements	Unsecured and payable in full in 2026 and 2027	8.09% to 8.63%	**2,206,652,500**	2,215,500,000
Long-term loans for working fund requirements of CLLC	Unsecured and payable in full in 2026 and 2027	8.50% to 8.63%	**1,256,800,000**	1,224,800,000
Long-term loans for working fund requirements of Arthaland	Payable from 2025 to 2028; secured by an unregistered real estate mortgage over commercial units and parking spaces of Arya Residences	7.53% to 8.12%	**528,882,777**	671,875,000
Long-term loans for working fund requirements of Arthaland	Payable in full on 2031; secured by 51 office and commercial units and 336 parking slots of Arthaland Century Pacific Tower with carrying amount of P8,054.2 million (see Note 9)	7.7253% to 8.0875%	**992,548,213**	-
Long-term loans for working fund requirements	Unsecured revolving credit line and payable in full upon maturity	7.50%	**350,000,000**	350,000,000
Long-term loans for working fund requirements of CLLC	Payable from 2026 to 2028; secured by a real estate mortgage over 12 office units and parking slots of Cebu Exchange with carrying amount of ₱1,490.3 million as at March 31, 2026	7.60% to 8.00%	**606,000,000**	610,000,000
			₱19,187,559,734	₱18,646,599,606

Development of Green Projects

In 2020, the Group entered into a ₱1,000.0 million term loan agreement with a local bank to finance eligible green projects, including land banking, investments, and refinancing activities related to such projects. The full amount of the loan was drawn in 2020. Under the terms of the agreement, the Group is required to submit disbursement reports to the lending bank to confirm that the loan proceeds have been utilized for eligible green projects. The loan was fully settled in February 2025.

In 2025, the Group entered into a sustainability-linked loan agreement of ₱1,000.0 million with a local bank to finance project development and land acquisitions, to refinance existing debt, and for other general corporate purposes. ALCO is required to maintain a debt-to-equity ratio of not more than 2.0x and current ratio of not less than 1.5x on a consolidated basis and the group is compliant with the requirements.

Construction of Sondris
In 2025, ZLDC entered into a ₱2,414.0 million term loan agreement with a local bank to finance the acquisition of 48 Condominium Certificate of Title (CCTs) and to partially fund the construction of Sondris.

As at March 31, 2026 ZLDC had drawn ₱1,175.6 million from the facility.

Under the loan agreement, ZLDC is required to maintain a maximum debt-to-equity ratio of 2.0x and a minimum current ratio of 1.5x. As at December 31, 2025, the Company's debt-to-equity ratio is 0.9x and its current ratio is 186.3x. Accordingly, ZLDC is compliant with the financial covenants as at March 31, 2026.

Construction of Eluria
In 2022, Bhavya entered into a term loan facility with a local bank to partially finance the construction of Eluria. Loan proceeds are available in multiple tranches from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavya. Moreover, Bhavya is required to maintain debt to equity ratio of not more than 2.0x, current ratio of not less than 1.5x and project debt to equity ratio not exceeding 0.5x.

The debt-to-equity ratio, current ratio and project debt to equity ratio of Bhavya as at December 31, 2025 based on its financial statements is 1.9x, 1.5x and 0.2x, respectively, which are compliant with the requirements of the term loan. As at March 31, 2026, the Group is compliant with these financial ratios.

Construction of Lucima Residences
In 2021, the Company entered into a term loan facility of ₱930.0 million with a local bank to partially finance the construction of Lucima Residences. Loan proceeds are available in multiple tranches for a period of 3 years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage on the land of Bhavana located in Cebu City. Moreover, Bhavana is required to maintain debt to equity ratio of not more than 2.00x, current ratio of not less than 1.50x and project debt to equity ratio not exceeding 0.50x.

The debt-to-equity ratio, current ratio and project debt to equity ratio of Bhavana as at December 31, 2025 based on its financial statements are 1.7x, 1.5x and 0.2x, respectively, which are compliant with the requirements of the term loan. As at March 31, 2026, the Group is compliant with these financial ratios.

Construction of Sevina Park
In 2021, Cazneau entered into a long-term loan facility of ₱1.0 billion with a local bank to partially finance the construction of Sevina Park. Loan proceeds are available in multiple tranches for a period of three (3) years from the date of initial drawdown. The outstanding loan balance is secured by real estate mortgage over two parcels of land of Cazneau and grant of security interest over shares of ALCO. Moreover, Cazneau is required to maintain debt to equity ratio of not more than 2.00x and current ratio of not less than 1.50x.

The debt to equity and current ratio of Cazneau as at December 31, 2025 based on its financial statements are 1.8x and 1.7x, respectively, which are compliant with the requirements of the term loan. As at March 31, 2026, the Group is compliant with these financial ratios.

Long-term loans of CLLC

In 2025, CLLC entered into a term loan facility of ₱610.0 million with a local bank to refinance existing debt, and for other general corporate purposes. The outstanding loan balance is secured by real estate mortgage over 12 condominium units and parking slots within Cebu Exchange Tower. Moreover, CLLC is required to maintain debt to equity ratio of not more than 2.0x. As at December 31, 2025, the debt to-equity ratio of CLLC is 0.4x, which is compliant with the requirement of the term loan. Accordingly, CLLC is compliant with the financial covenant as at March 31, 2026.

Private Funders

Outstanding balances of the loans from private funders amounting to ₱53.0 million as at March 31, 2026 and December 31, 2025, with interest rate of 5.80% p.a., are unsecured and are for working capital requirements of the Group.

14. BONDS PAYABLE

Details of this account are as follows:

	March 2026	December 2025
Bonds payable	**₱3,000,000,000**	₱3,000,000,000
Unamortized debt issue cost	**(32,696,154)**	(34,245,835)
	₱2,967,303,846	₱2,965,754,165

In October 2019, the Board of Directors (BOD) of ALCO approved the filing of a registration statement for the shelf registration of ₱6.0 billion fixed rate ASEAN Green Bonds (the "Bonds") and the initial tranche of ₱2.0 billion bonds, with an oversubscription option of up to ₱1.0 billion.

In January 2020, the SEC approved the registration of the Bonds and the issuance of the initial tranche of the Bonds. On February 6, 2020, ALCO issued the initial tranche of the Bonds amounting to ₱2.0 billion with an oversubscription of ₱1.0 billion. It has a term ending five years from the issue date or on February 6, 2025, with a fixed interest rate of 6.35% p.a. and an early redemption option on the 3rd and 4th year from issue date. The proceeds of the initial tranche are for the development of eligible green projects and payment of certain outstanding loans of the Group. This was fully redeemed in February 2025.

In October 2022, the BOD approved the second tranche of up to ₱3.0 billion. The SEC approved the offer supplement in December 2022 for ₱2.4 billion with an oversubscription of up to ₱0.6 billion. These bonds have a five-year term with a fixed interest rate of 8.00% p.a. and an early redemption option in the 3rd and 4th years, and a seven-year term with a fixed interest rate of 8.75% p.a. and an early redemption option in the 5th and 6th years. Proceeds will fund eligible green projects and repay certain outstanding loans.

ALCO shall maintain the following financial ratios, with testing to be done on an annual basis, for as long as any of the ASEAN Green Bonds remain outstanding: debt to equity ratio of not more than 2.00x and current ratio of at least 1.50x. Testing of both financial covenants shall be done on April 30 of each year, using the December 31 audited consolidated financial statements of the Group. As at March 31, 2026 and December 31, 2025, the Group is compliant with these financial ratios.

Interest expense incurred on the Bonds amounted to ₱64.2 million and ₱94.4 million as at March 31, 2026 and 2025, respectively.

15. RELATED PARTY TRANSACTIONS

The company engages, in the normal course of business, in various transactions with its related parties which include entities under common control, key management and others.

Advances for Working Capital
This pertains to expenses advanced by the Group to the related parties. Outstanding balances of advances for working capital are unsecured, unguaranteed, collectible or payable on demand and to be settled in cash.

The Group's allowance for ECL on due from related parties amounted to nil as at March 31, 2026 and December 31, 2025.

Compensation of Key Management Personnel
The compensations of key management personnel are as follows:

	March 2026 (Three Months)	March 2025 (Three Months)
Salaries and other employee benefits	**₱44,529,574**	₱36,488,804

Transactions with the Retirement Plan
The Parent Company's retirement fund is administered and managed by a trustee bank. The fair value of plan assets, which are primarily composed of unit investment trust funds, amount to ₱145.5 million and ₱142.8 million as at March 31, 2026 and December 31, 2025.

The retirement fund neither provides any guarantee or surety for any obligation of the Parent Company nor its investments covered by any restrictions or liens.

Material Non-controlling Interests
The Group's non-controlling interests amounting to ₱2,701.8 million, and ₱2,695.2 million as at March 31, 2025 and December 31, 2025, respectively, pertain to interests in SLDC, KHI, Bhavana and Bhavya.

SLDC
Non-controlling interests over SLDC is 41% as at March 31, 2026 and December 31, 2025. Net income of SLDC allocated to non-controlling interests amounted to ₱3.0 million for the period ended March 31, 2026 , and ₱137.3 million for the year ended December 31, 2025, which were determined based on the agreement between ALCO and HHI.

On March 17 and December 17, 2023, the BOD approved the subscription of convertible preferred shares by Help Holdings Inc. (HHI) to 19,096,407 and 2,049,000, respectively, shares at a subscription price of ₱100 per share or total amount of ₱2,114.5 million. The subscription was fully paid through the conversion of HHI's prior deposit for future stock subscription of the same amount. Additional paid-in capital arising from the subscription of convertible preferred shares aggregated to ₱2,093 million.

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

On June 20, July 25 and September 19, 2025, the Board of Directors (BOD) approved the subscription of preferred shares by Help Holdings Inc. (HHI) to 27,597 shares, 89,752 shares and 41,156 shares, respectively, at a subscription price of ₱100 per share or total amount of ₱15.9 million. The subscription was fully paid through the conversion of HHI's prior advances to the Corporation in the same amount. The deposit for future stock subscription was received in 2025 and converted in full during the same year.

KHI
The Group has 40% non-controlling interests in KHI. The net losses of KHI allocated to non-controlling interests amounting to ₱10.7 million for the period ended March 31, 2026, ₱60.5 million for the year ended December 31, 2025 in which were distributed based on the capital contribution.

On December 13, 2024, KHI's BOD approved to repay the advances to ALCO amounting to ₱70.2 million and to MEC amounting to ₱46.8 million which was paid on January 23, 2025.

On June 20, 2025, KHI's BOD approved to repay the advances to ALCO amounting to ₱64.2 million and to MEC amounting to ₱42.8 million which was paid on July 21, 2025.

Bhavana and Bhavya
In December 2021, ALCO sold, transferred and conveyed in favor of Narra Investment Properties Pte. Ltd. ("Narra"), by way of secondary sale, all of its rights, title and interest in and to 40% of the common shares of stock of Bhavana and Bhavya, or 20,000,000 common shares of stock thereof, as well as its shareholder advances and accrued interest receivables aggregating ₱449.4 million in exchange for ₱446.8 million. The transfer of Bhavana and Bhavya shares decreased the effective ownership of ALCO from 100% to 60%.

The net income (loss) of Bhavana and Bhavya allocated to non-controlling interests amounting to (₱13.2 million) and ₱14.1 million, respectively, for the period ended March 31, 2026 and (₱149.8 million) and ₱66.0 million, respectively, for the year ended December 31, 2025 in which were distributed based on the capital contribution.

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

On March 20, 2024, the BOD approved the subscription of Narra to 300,000 preferred shares of Bhavya at the price of ₱100.00 per share, or a total of ₱30.0 million.

In December 2024, Narra subscribed to 180,000 preferred shares of Bhavana at the price of ₱100 per share, or a total of ₱27.0 million.

ZLDC
In December 2025, ALCO sold, transferred and conveyed in favor of SEAIMMO, by way of secondary sale, all of its title, ownership, rights and interest in and to 40% of its common and preferred shares, or 200,000 common shares and 2,840,000 Preferred Shares Series B thereof, as well as its shareholder advances aggregating ₱216.0 million. The transfer of shares decreased the effective ownership of ALCO from 100% to 60%. ALCO has a receivable from SEAIMMO related to the sale and assignment of advances amounting to ₱204.8 million and ₱724.8 million as of March 31, 2026 and December 31, 2025, respectively.

The net loss of Zileya allocated to non-controlling interests amounting to (₱17.3 million) for the period ended March 31, 2026 in which were distributed based on the capital contribution.

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

	Amount of Transactions		Outstanding Balance	
	March 2026	December 2025	**March 2026**	December 2025
Advances for Project Development				
HHI	**₱–**	₱–	**₱417,919,597**	₱417,919,597
Narra	**–**	–	**411,200,000**	411,200,000
SEAIMMO	**–**	216,000,000	**216,000,000**	216,000,000
MEC	**–**	–	**13,400,000**	13,400,000
	₱–	₱216,000,000	**₱1,058,519,597**	₱1,058,519,597

16. EQUITY

The details of the Parent Company's number of common and preferred shares follow:

	March 2026		December 2025	
	Preferred	**Common**	Preferred	Common
Authorized	**80,000,000**	**16,368,095,199**	80,000,000	16,368,095,199
Par value per share	**₱1.00**	**₱0.18**	₱1.00	₱0.18
Issued	**47,464,860**	**5,318,095,199**	47,464,860	5,318,095,199
Outstanding	**37,464,860**	**5,318,095,199**	37,464,860	5,318,095,199

Preferred Shares

The Group's preferred shares Series A, C, D, E and F are cumulative, nonvoting, nonparticipating and nonconvertible. The movements and details of the issued and outstanding preferred shares are as follows:

	March 2026		December 2025	
	Number of shares	**Amount**	Number of shares	Amount
Issued and outstanding				
Balance at beginning of period	**47,464,860**	**₱47,464,860**	48,500,000	₱48,500,000
Issuance during the period	**-**	**-**	18,964,860	18,964,860
Retirement during the period	**-**	**-**	(20,000,000)	(20,000,000)
Balance at end of period	**47,464,860**	**47,464,860**	47,464,860	47,464,860
Treasury shares	**(10,000,000)**	**(10,000,000)**	(10,000,000)	(10,000,000)
Parent Company's preferred shares held by a subsidiary	**(26,500,000)**	**(26,500,000)**	(26,500,000)	(26,500,000)
Outstanding	**10,964,860**	**₱10,964,860**	10,964,860	₱10,964,860

In June 2019, the Company made a follow-on offering of 10.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso‐denominated preferred shares (the "Series C Preferred Shares") with ₱1.00 par value a share at the issuance price of ₱100 a share. Excess of the proceeds over the total par value amounting to ₱990.0 million and transactions costs of ₱12.5 million were recognized as additional and reduction to additional paid‐in capital, respectively.

On December 3, 2021, the Parent Company made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated preferred shares (the "Series D Preferred Shares, with ₱1.00 par value a share at the issuance price of ₱500 a share. Excess of the proceeds over the total par value amounting to ₱2,994.0 million and transaction costs of ₱29.6 million were recognized as addition and reduction to additional paid-in capital, respectively.

In May 2024, the redemption of Preferred Shares Series C of the Group was approved. The Group redeemed the 10.0 million preferred shares at a redemption price of ₱100 per share for ₱1,000.0 million, plus accrued and any unpaid cash dividends due on redemption date June 27, 2024.

On August 14, 2024, the Group obtained the approval from SEC to amend its Articles of Incorporation to increase its authorized capital stock by ₱50.0 million. Following the approval, the Group cancelled the 20.0 million Preferred Shares Series B with a selling price of ₱100 per share for ₱2,000.0 million.

In November 2024, ALCO made a follow-on offering of 6.0 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series F with ₱1 par value a share at the issuance price of ₱500 a share. As at December 31, 2024, ALCO issued and outstanding Preferred Shares Series F are 5.0 million for ₱2,482.4 million. Excess of the proceeds over the total par value amounting to ₱2,477.5 million and transactions costs of ₱30.1 million were recognized as addition and reduction to additional paid-in capital, respectively.

On January 22, 2025, ALCO's BOD approved the proposal to amend its Article Seventh of the AOI by decreasing its authorized capital stock by ₱10.0 million. The foregoing decrease in the authorized capital stock corresponds to the redemption of Preferred Shares Series C on June 27, 2024. On March 18, 2026, the Group obtained the approval from SEC to amend its AOI to decrease its authorized capital stock.

Parent Company's Preferred Shares Held by Subsidiary

In 2016, ALCO issued 12.5 million cumulative, nonvoting, nonparticipating and nonconvertible Peso-denominated Preferred Shares Series A with ₱1 par value a share to MPI. On August 14, 2024, the Parent Company issued to MPI 14.0 million Preferred Shares Series E with a selling price of ₱1 per share for ₱14.0 million.

Common Shares

As at March 31, 2026 and December 31, 2025, the Parent Company has issued and outstanding common shares of 5,318,095,199 with par value of ₱0.18 amounting to ₱957.3 million.

Dividend Declaration

The Parent's Company's BOD and stockholders approved the following cash dividends to ALCO's stockholders:

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 21, 2026	**February 04, 2026**	**February 16, 2026**	**Series F preferred shares**	**45,465,705**	**9.1575**
January 21, 2026	**February 11, 2026**	**March 03, 2026**	**Series D preferred shares**	**45,000,000**	**7.5000**
				₱90,465,705	

Declaration Date	Stockholders of Record Date	Payment Date	Share	Amount	Dividend per Share
January 22, 2025	February 07, 2025	March 03, 2025	Series D preferred shares	₱45,000,000	₱7.5000
March 26, 2025	April 15, 2025	May 14, 2025	Series F preferred shares	45,465,705	9.1575
May 07, 2025	May 22, 2025	June 03, 2025	Series D preferred shares	45,000,000	7.5000
June 27, 2025	July 21, 2025	August 14, 2025	Series F preferred shares	45,465,705	9.1575
June 27, 2025	July 15, 2025	August 08, 2025	Common Shares	63,817,142	0.0120
August 6, 2025	August 20, 2025	September 03, 2025	Series D preferred shares	45,000,000	7.5000
August 6, 2025	October 21, 2025	November 14, 2025	Series F preferred shares	45,465,705	9.1575
October 29, 2025	November 13, 2025	December 3, 2025	Series D preferred shares	45,000,000	7.5000
				₱380,214,260	

Other Equity Reserves

As of March 31, 2026 and December 31, 2025, this account consists of:

Effect of changes in the Parent Company's ownership interest in subsidiaries	**₱169,002,018**
Stock options outstanding	**7,161,827**
Cumulative remeasurement gains on net retirement liability - net of tax	**37,152,564**
	₱213,316,409

Stock Options

In ALCO's annual meeting on 16 October 2009, stockholders approved the 2009 ALCO Stock Option Plan, allowing the issuance of up to 10% of ALCO's total outstanding capital stock equivalent to 531,809,519 shares. The plan was administered by the Stock Option and Compensation Committee, composed of three directors, one of whom is independent. Eligible participants include Board members (excluding independent directors), the President and CEO, corporate officers, managerial employees, and executive officers of subsidiaries or affiliates. The Committee has the authority to determine grant recipients, exercise prices (not below par value), grant timing, and share allocation based on performance evaluations.

The option period spans three years, with vesting as follows: up to 33.33% within the first 12 months, up to 33.33% from the 13th to the 24th month, and up to 33.33% from the 25th to the 36th month. On the exercise date, the full purchase price must be paid, or as decided by the Committee. In 2010, 164.8 million options were granted, but none were exercised until the expiration of the option period in October 2012.

On December 14, 2018, the Board approved granting up to 90 million options at ₱0.85 per share based on performance evaluation of the grantees. On March 25, 2020, the option price was reduced to ₱0.50 per share.

As at March 31, 2026 and December 31, 2025, none of the qualified employees have exercised their options.

<u>Use of Proceeds</u>

Green Bonds - First Tranche
On February 21, 2024, the BOD approved the reallocation of the use of proceeds of the Bonds effective March 22, 2024, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Savya Financial Center or other Eligible Green Projects	₱1,500.0	₱1,351.0
Manila Long-Term Project	1,140.0	1,289.0
Arthaland Century Pacific Tower	309.0	309.0
Total	₱2,949.0	₱2,949.0

This was fully redeemed in February 2025.

Green Bonds – Second Tranche
The estimated gross proceeds from the offer of the second tranche of the Bonds amounted to ₱2,944.7 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,949.0 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Per Offer Supplement	Actual Net Proceeds	Actual Disbursement as at March 31, 2026	Balance for Disbursement as at March 31, 2026
Project Rock	₱226.0	₱1,593.7	₱1,593.7	₱-
Project Vanilla	1,120.0	1,080.3	930.3	150.0
Project Teal	-	50.0	50.0	-
ACPT Loan and Others	276.0	225.0	225.0	-
Project Olive	1,378.0	-	-	-
Total	₱3,000.0	₱2,949.0	₱2,799.0	₱150.0

On August 06, 2025, the BOD approved the reallocation of the use of proceeds of the second tranche of green bonds effective September 05, 2025, as follows (amounts in millions):

Project	Actual Net Proceeds	Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	760.0	930.3
Project Teal	-	200.0

ACPT Loan and Others	225.0	225.0
Project Olive	370.3	-
Total	₱2,949.0	₱2,949.0

On February 18, 2026, the BOD approved the reallocation of the use of proceeds of the bonds effective March 20, 2026, as follows (amounts in millions):

Project	Actual Net Proceeds	Proposed Reallocation
Project Rock	₱1,593.7	₱1,593.7
Project Vanilla	930.3	1,080.3
Project Teal	200.0	50.0
ACPT Loan and Others	225.0	225.0
Total	₱2,949.0	₱2,949.0

Series F Preferred Shares
The gross proceeds from the offer of Series F Preferred Shares amounted to ₱2,482.4 million. The actual net proceeds from the offer of the shares, after deducting the related expenses to the offer, amounted to ₱2,451.5 million.

The following tables show the breakdown of the use of the proceeds (amounts in millions):

Purpose	Gross Proceeds	Actual Net Proceeds	Actual Disbursement as at March 31, 2026	Balance for Disbursement as at March 31, 2026
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0	₱1,000.0	₱-
Project Teal	1,140.0	821.5	821.5	-
ACPT Loans	342.4	200.0	200.0	-
Debt Service Reserve Account (DSRA) Requirement for ACPT Loan	-	200.0	200.0	-
Investment in Bhavya to fund project Eluria	-	30.0	30.0	-
General Corporate Purposes	-	200.0	200.0	-
Total	₱2,482.4	₱2,451.5	₱2,451.5	₱-

On March 26, 2025, ALCO's BOD approved the reallocation of the use of proceeds of the Series F Preferred Shares effective April 25, 2025, as follows (amounts in millions):

Purpose	Actual Net Proceeds	Reallocation
Repayment of BDO Bridge Financing	₱1,000.0	₱1,000.0
Project Teal	1,140.0	821.5
ACPT Loan and Others	311.5	200.0
DSRA Requirement for ACPT Loan	–	200.0
Investment into Bhavya to Fund Project Eluria	–	30.0
General Corporate Purposes	–	200.0
Total	₱2,451.5	₱2,451.5

17. REVENUES

The account consists of:

	March 2026 (Three Months)	March 2025 (Three Months)
Real estate sales of:		
Una Apartments	**₱349,531,141**	₱190,452,118
Eluria	**326,636,555**	282,029,750
Sevina Park	**160,387,947**	51,641,252
Lucima Residences	**37,685,463**	206,528,574
Cebu Exchange	**36,072,967**	100,728,820
Savya Financial Center	**28,043,613**	77,591,244
	938,357,686	908,971,758
Leasing revenue	**156,876,277**	216,636,231
Property Management fees	**9,809,776**	8,846,117
Interest from real estate sale (see Note 2)	**15,179,101**	12,059,441
	₱1,120,222,840	₱1,146,513,547

Leasing revenue pertains to rent income and CUSA earned from various lease contracts of the Parent Company in ACPT, commercial units of MPI in Arya Residences, and dormitory units in Courtyard Hall, in which rent income is recognized on a straight-line basis under PAS 17, Leases.

18. COST AND EXPENSES

This account consists of:

	March 2026 (Three Months)	March 2025 (Three Months)
Cost of real estate sales	**₱607,116,913**	₱604,708,250
Cost of leasing operations	**39,551,789**	34,056,734
Cost of services	**35,261,167**	26,233,007
	₱681,929,869	₱664,997,991

19. OPERATING EXPENSES

Details of operating expenses by nature are as follows:

	March 2026 (Three Months)	March 2025 (Three Months)
Advertising	**₱141,229,568**	₱70,773,823
Personnel costs	**131,805,924**	112,313,564
Taxes and licenses	**46,413,579**	51,304,394
Communication and office expenses	**44,890,874**	44,163,918
Commissions and Broker's fees	**34,424,390**	99,367,266
Management and professional fees	**15,564,574**	12,140,238
Depreciation and amortization	**14,136,930**	16,854,479
Repairs and maintenance	**9,220,952**	5,426,755
Transportation and travel	**7,346,634**	8,129,323
Insurance	**6,575,402**	5,293,777
Rental	**723,084**	873,518
Utilities	**1,069,417**	1,978,698
Others	**11,673,886**	3,375,193
	₱465,075,214	₱431,994,946

20. FINANCE COSTS

Finance costs relate to the following:

	March 2026 (Three Months)	March 2025 (Three Months)
Interest expense	**₱421,172,680**	₱319,676,327
Bank charges	**1,966,113**	3,757,231
	₱423,138,793	₱323,433,558

21. OTHER INCOME – NET

This account consists of:

	March 2026 (Three Months)	March 2025 (Three Months)
Gain on repossessions	**₱20,294,134**	₱2,190,173
Realized gain on disposals of financial assets at FVPL	**7,673,537**	46,913,251
Interest income	**6,698,829**	36,579,568
Unrealized holding gains (losses) on financial assets at FVPL	**1,350,644**	(7,653,751)
Foreign exchange gains (losses)	**599,279**	(472,085)
Others - net	**10,155,874**	(16,722,487)
	₱46,772,297	₱60,834,669

22. NET RETIREMENT LIABILITY

The Group has a funded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with minimum of five years of credited service or late retirement after age 60, both subject to the approval of the Company's BOD.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

There are no unusual or significant risks to which the retirement liability exposes the Group. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Parent Company.

The movements of net retirement liability recognized in the interim consolidated statements of financial position are as follows:

	March 2026	December 2025
Balance at beginning of period	**₱53,898,518**	₱27,371,514
Retirement expense:		
Current service cost	**9,507,120**	30,519,356
Net interest cost	**-**	1,785,576
Remeasurement loss (gain) on:		
Change in financial assumptions	**-**	(6,970,124)
Experience adjustments	**-**	(654,106)
Return on retirement plan asset	**-**	1,846,302
Balance at end of period	**₱63,405,638**	₱53,898,518

23. INCOME TAXES

The components of provision for income tax are as follows:

	March 2026	March 2025
Reported in Profit or Loss		
Current:		
MCIT	**₱11,236,729**	₱14,636,160
Final taxes	**2,876,538**	16,693,197
Gross income tax (GIT)	**931,820**	1,480,812
	15,045,087	32,810,169
Deferred	**87,888,762**	38,487,820
	₱102,933,849	₱71,297,989

Deferred Tax Assets

The components of the Group’s net deferred tax assets presented under Other assets (Note 11) are as follows:

	March 2026	December 2025
Deferred tax assets:		
NOLCO	**₱257,001,498**	₱224,299,269
Excess of taxable over financial gross profit	**11,267,634**	11,267,634
Excess MCIT over RCIT	**3,567,482**	3,335,219
Retirement liability	**2,711,578**	2,381,544
Effect of PFRS 16	**26,214**	18,914
Unrealized foreign exchange loss	**-**	17,270
	274,574,406	241,319,850
Deferred tax liabilities:		
Excess of financial over taxable gross profit	**63,913,578**	71,787,151
Unrealized foreign exchange gain	**37,223**	-
	63,950,801	71,787,151
Net deferred tax assets	**₱210,623,605**	₱169,532,699

Deferred Tax Liabilities

The components of the Group’s net deferred tax assets and liabilities are as follows:

	March 2026	December 2025
Deferred tax assets:		
NOLCO	**₱1,086,859,365**	₱818,905,031
Excess MCIT over RCIT	**103,779,803**	92,781,154
Retirement liability	**37,668,231**	36,373,479
Advance rent	**28,529,075**	16,214,143
Excess of commission expense over commissions paid	**8,172,757**	8,172,757
Excess of taxable gross profit over financial	**7,492,591**	-
Allowance for impairment losses	**4,437,348**	4,437,348
Effect of PFRS 16	**670,593**	538,426
	1,277,609,763	977,422,338
Deferred tax liabilities:		
Cumulative gain on change in fair value of investment properties	**3,025,543,733**	2,840,005,564
Excess of financial over taxable gross profit	**918,662,566**	681,259,010
Depreciation of investment properties	**85,812,228**	81,052,872
Accrued rent receivable	**19,545,255**	17,861,403
Actuarial gain or loss	**12,557,629**	12,557,629
Transfer of fair value to property and equipment	**9,603,385**	9,659,545
Capitalized debt issue costs	**7,418,803**	7,461,936

	March 2026	December 2025
Unrealized foreign exchange gains	**1,537,191**	1,655,732
	4,080,680,790	3,651,513,691
Net deferred tax liabilities	**₱2,803,071,027**	₱2,674,091,353

The reconciliation between the income tax expense based on statutory income tax rate and effective income tax rate reported in the consolidated statements of comprehensive income is as follows:

	March 2026	March 2025
Income tax computed at statutory tax rate	**₱106,677,706**	₱76,940,054
Add (deduct) tax effects of:		
deductible expenses and nontaxable income	**1,867,054**	2,397,054
Consolidated Leasing Solutions	**1,194,539**	494,907
Change in unrecognized deferred tax assets	**596,966**	941,618
Income subject to GIT	**(6,349,076)**	(7,072,019)
Income subject to final tax	**(1,053,340)**	(2,403,625)
	₱102,933,849	₱71,297,989

PEZA Registration

ACPT is registered with the PEZA as an Ecozone Facilities Enterprise (see Note 1). The scope of its registered activity is limited to development, operation and maintenance of an economic zone. Under the PEZA Registration Agreement, ACPT is entitled to 5% GIT, in lieu of all national and local taxes. Any income from activities of ACPT outside the PEZA-registered activities is subject to RCIT.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise cash in banks, cash equivalents, financial assets at FVPL, receivables (excluding advances for project development and accrued rent receivable under straight-line basis of accounting), amounts held in escrow, deposits, loans and bonds payable, accounts and other payables (except statutory liabilities, advance rent and payable to customers) and advances from non-controlling interests.

It is the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks as summarized below.

Credit Risk

The Group's exposure to credit risk arises from the failure of counterparty to fulfill its financial commitments to the Group under the prevailing contractual terms. Financial instruments that potentially subject the Group to credit risk consist primarily of trade receivables, contract assets and other financial assets at amortized cost. The carrying amounts of financial assets at amortized cost represent its maximum credit exposure.

Trade Receivables and Contract Assets

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms, and conditions are offered. The Group's credit policy includes available external ratings, financial statements, credit agency information, industry information and, in some cases, bank references. Credit limits are established for each customer and reviewed on a regular basis. Any sales on credit exceeding those limits require specific approval from upper level of management. The Group limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. Historically, trade receivables are substantially collected within one (1) year and it has no experience of writing-off or impairing its trade receivables due to the effectiveness of its collection.

As customary in the real estate business, title to the property is transferred only upon full payment of the purchase price. There are also provisions in the sales contract which allow forfeiture of installments or deposits made by the customer in favor of the Group. Also, customers are required to deposit postdated checks to the Group covering all installment payments. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments. Trade receivables from lease are closely monitored on aging of the account. As at March 31, 2026 and December 31, 2025, there were no significant credit concentrations. The maximum exposure at the end of the reporting period is the carrying amount of trade receivables and contract assets.

Other Financial Assets at Amortized Cost
The Group's other financial assets at amortized cost are mostly composed of cash in banks, cash equivalents, amounts held in escrow and investment in time deposits. The Group limits its exposure to credit risk by investing only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments. For deposits, credit risk is low since the Group only transacts with reputable companies and individuals with respect to this financial asset.

It is the Group's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

Financial Assets at FVPL
The Group is also exposed to credit risk in relation to its investments in money market fund that is measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

<u>Liquidity Risk</u>
Liquidity risk is the risk that the Group may not be able to settle its obligations as they fall due.

The Group monitors its risk to a shortage of funds through analyzing the maturity of its financial investments and financial assets and cash flows from operations. The Group monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a daily basis to arrive at the projected cash position to cover its obligations.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group addresses liquidity concerns primarily through cash flows from operations.

<u>Interest Rate Risk</u>
Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group's loans and bonds payable to local banks are subject to fixed interest rates and are exposed to fair value interest rate risk. The re-pricing of these instruments is done on annual intervals.

The Group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Group's consolidated net income.

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position to support its business operations and growth, while maximizing shareholder value and maintaining an optimal capital structure.

The Group manages its capital structure, which consists of debt and equity, and monitors its capital using financial leverage ratios, such as the debt-to-equity ratio, defined as interest-bearing borrowings and liabilities for deferred purchase price of property and services, divided by total equity and advances from non-controlling interest.

The Group's policy is to maintain a level of leverage that is consistent with industry norms and within the limits set by its financing agreements. The Group monitors compliance with financial covenants associated with its borrowings as part of its capital management process.

Capital for the reporting periods under review is summarized as follows:

	March 2026	December 2025
Total liabilities	**₱33,270,420,353**	₱33,058,291,862
Total equity	**₱14,824,997,026**	₱14,648,750,876
Debt-to-equity ratio	**2.24:1.00**	2.26:1.00

The Group has complied with all externally imposed capital requirements, including financial covenants, during the reporting periods.

26. EARNINGS PER SHARE (EPS)

Basic and diluted earnings per share are computed as follows:

	March 2026	March 2025
Net income attributable to equity holders of the Parent Company	**₱260,085,177**	₱147,773,256
Less share of Series D and F Preferred Shares	**(90,465,705)**	(90,465,705)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share (a)	**₱169,619,472**	₱57,307,551
Weighted average number of common shares for diluted EPS (b)	**5,318,095,199**	5,318,095,199
Basic and diluted EPS (a/b)	**₱0.0319**	₱0.0108

27. FAIR VALUE MEASUREMENT

The following table presents the carrying amounts and fair values of the Group's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

		March 2026		
		Fair Value		
	Carrying Amount	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets measured at fair value -				
Financial assets at FVPL	**325,488,024**	**325,488,024**	-	-
Investment properties	**17,636,841,942**	-	**3,383,188,125**	**14,253,653,817**
Financial assets at amortized cost -				
Deposits	**141,288,782**	-	-	**141,288,782**
	18,103,618,748	**325,488,024**	**3,383,188,125**	**14,394,942,599**
Liability for which fair value is disclosed -				
Loans payable	**19,240,783,704**	-	-	**19,240,783,704**
Bonds payable	**2,967,303,846**	-	-	**2,967,303,846**
	22,208,087,550	-	-	**22,208,087,550**

		December 2025		
		Fair Value		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:				
Financial assets at FVPL	₱271,312,173	₱271,312,173	₱–	₱–
Investment properties	16,569,289,505	–	3,056,256,603	13,513,032,902
Financial assets at amortized cost -				
Deposits	142,030,117	–	–	142,030,117
	₱16,982,631,795	₱271,312,173	₱3,056,256,603	₱13,655,063,019
Liability for which fair value is disclosed -				
Loans payable	₱18,699,823,576	₱–	₱17,873,637,329	₱–
Bonds payable	2,965,754,165	–	2,434,110,185	–
	₱21,665,577,741	₱–	₱20,307,747,514	₱–

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate fair values as at March 31, 2026 and December 31, 2025:

	March 2026	December 2025
Financial assets:		
Cash and cash equivalents	**₱1,152,711,454**	₱1,381,114,743
Receivables*	**2,143,578,497**	3,349,816,380
Amounts held in trust and in escrow	**341,048,000**	259,266,681
	₱3,637,337,951	₱4,990,197,804
Financial liabilities:		
Accounts and other payables**	**₱4,937,389,997**	₱5,421,614,321
Advances from non-controlling interests	**1,058,519,597**	1,058,519,597
	₱5,995,909,594	₱6,480,133,918

**Excludes accrued rent receivable aggregating ₱72.1 million and ₱65.4 million as at March 31, 2026 and December 31, 2025, respectively.*
***Excludes advances from buyers, advance rent, statutory liabilities, deferred output vat and lease liabilities aggregating ₱1,583.9 million and ₱1,588.9 million as at March 31, 2026 and December 31, 2025, respectively.*

28. CLASSIFICATION OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ACCOUNTS

The Group's current portions of its assets and liabilities are as follows:

	March 2026	December 2025
Current Assets		
Cash and cash equivalents	**₱1,152,711,454**	₱1,381,114,743
Financial assets at fair value through profit or loss	**325,488,024**	271,312,173
Receivables	**2,215,659,923**	3,415,177,569
CWT	**1,186,043,334**	1,125,196,039
Input VAT	**1,008,622,035**	912,807,838
Contract assets	**9,527,678,626**	8,891,243,368
Real estate for sale	**12,838,325,129**	13,106,806,103
Other assets*	**1,089,465,247**	200,557,485
	₱29,343,993,772	₱29,304,215,318

**Excludes non-current portion of advances for asset purchase and land acquisition, advances to contractors, amount held in escrow, deposits, software, deferred tax assets and deferred input VAT amounting to ₱783.6million and ₱1,351.6 million as at March 31, 2026 and December 31, 2025, respectively.*

Current Liabilities		
Current portion of loans payable*	**₱11,908,300,008**	₱11,426,598,458
Accounts and other payables**	**4,166,088,752**	3,772,477,060
Contract liabilities	**616,064,789**	595,701,610
	₱16,690,453,549	₱15,794,777,128

**Excludes long term portion of loans payable amounting to ₱7,332.5 million and ₱7,273.2 million as at March 31, 2026 and December 31, 2025, respectively.*
***Excludes non-current portion of payable for the purchase of land, retention payable, deferred output VAT, lease liabilities and other payables amounting to ₱2,355.2 million and ₱3,238.0 million as at March 31, 2026 and December 31, 2025, respectively.*

29. OPERATING SEGMENT INFORMATION

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to sale of real estate, leasing and property management services.

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and expenses are consistent with the consolidated statements of comprehensive income. The presentation and classification of segment assets and liabilities are consistent with the consolidated statements of financial position.

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the period ended March 31, 2026, December 31, 2025, and March 31, 2025:

	March 2026 (Unaudited)					
	Sale of Real Estate	**Leasing**	**Property Management Services**	**Corporate**	**Eliminations**	**Total**
Segment revenue	**₱953,536,787**	**₱156,876,277**	**₱216,152,773**	**₱-**	**(₱206,342,997)**	**₱1,120,222,840**
Segment expenses	**(615,915,172)**	**(40,343,789)**	**(65,349,277)**	**(631,739,841)**	**206,342,997**	**(₱1,147,005,083)**
Segment profit (loss)	**337,621,615**	**116,532,488**	**150,803,496**	**(631,739,841)**	**-**	**(26,782,243)**
Net gain on change in fair value of investment properties	**-**	**742,150,074**	**-**	**-**	**-**	**742,150,074**
Finance cost	**-**	**-**	**-**	**(543,187,695)**	**120,048,902**	**(423,138,793)**
Other income - net	**-**	**-**	**-**	**46,772,297**	**-**	**46,772,297**
Income (loss) before income tax	**337,621,615**	**858,682,562**	**150,803,496**	**(1,128,155,239)**	**120,048,902**	**339,001,335**

	March 2026 (Unaudited)					
	Sale of Real Estate	**Leasing**	**Property Management Services**	**Corporate**	**Eliminations**	**Total**
Provision for income tax						**102,933,849**
Net income						**236,067,486**
Other comprehensive income						**-**
Total comprehensive income						**₱236,067,486**

	March 2025 (Unaudited)					
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	Total
Segment revenue	₱921,031,199	₱216,636,231	₱395,165,957	₱-	(₱386,319,840)	₱1,146,513,547
Segment expenses	(616,029,212)	(34,056,734)	(53,875,958)	(779,350,873)	386,319,840	(1,096,992,937)
Segment profit (loss)	305,001,987	182,579,497	341,289,999	(779,350,873)	-	49,520,610
Net gain on change in fair value of investment properties		484,728,260	-	-	-	484,728,260
Finance cost	(126,565,611)	(200,670,683)	-	(28,605,118)	32,407,854	(323,433,558)
Other income - net	-	-	-	60,834,669	-	60,834,669
Income (loss) before income tax	178,436,376	466,637,074	341,289,999	(747,121,322)	32,407,854	271,649,981
Provision for income tax						71,297,989
Net income						200,351,992
Other comprehensive income						-
Total comprehensive income						₱200,351,992

	March 2026 (Unaudited)					
	Sale of Real Estate	**Leasing**	**Property Management Services**	**Corporate**	**Eliminations**	**Total**
Segment assets	**₱27,845,936,086**	**₱26,387,767,220**	**₱66,820,268**	**₱9,425,010,780**	**(₱15,630,116,975)**	**₱48,095,417,379**
Segment liabilities	**(₱9,601,635,544)**	**(₱8,473,356,253)**	**(₱64,597,301)**	**(₱25,231,832,407)**	**₱10,101,001,152**	**(₱33,270,420,353)**

	December 2025 (Audited)					
	Sale of Real Estate	Leasing	Property Management Services	Corporate	Eliminations	Total
Segment assets	₱11,317,552,917	₱16,669,904,961	₱6,527,749	₱34,551,796,694	(₱14,838,739,584)	₱47,707,042,738
Segment liabilities	(₱8,562,347,455)	(₱72,485,342)	₱–	(₱33,840,792,319)	₱9,417,333,255	(₱33,058,291,862)

30. EVENTS AFTER THE REPORTING PERIOD

Declaration of Cash Dividends

The Parent Company's BOD approved and declared the following cash dividends:

Class of shares	Declaration Date	Stockholders of Record Date	Payment Date	Amount	Dividend per Share
Series F preferred shares	April 8, 2026	April 23, 2026	May 14, 2026	₱45,465,705	₱9.1575
Series D preferred shares	May 6, 2026	May 20, 2026	June 3, 2026	₱45,000,000	₱7.500

The dividends of Series F and Series D shall be taken out of the unrestricted earnings of the Parent Company as at December 31, 2025 and March 31, 2026, respectively.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

FINANCIAL POSITION
MARCH 2026 vs DECEMBER 2025

	MAR 31, 2026	DEC 31, 2025	% Change
Cash and cash equivalents	**₱ 1,152,711,454**	₱ 1,381,114,743	-17%
Financial assets at fair value through profit or loss (FVPL)	**325,488,024**	271,312,173	20%
Receivables	**2,215,659,923**	3,415,177,569	-35%
Creditable withholding taxes	**1,186,043,334**	1,125,196,039	5%
Input value-added tax (VAT)	**1,008,622,035**	912,807,838	10%
Contract Assets	**9,527,678,626**	8,891,243,368	7%
Real estate for sale	**12,838,325,129**	13,106,806,103	-2%
Investment properties	**17,636,841,942**	16,569,289,505	6%
Property and equipment	**331,020,470**	312,362,975	6%
Other Assets	**1,873,026,442**	1,721,732,425	9%
Total Assets	**48,095,417,379**	47,707,042,738	1%
Accounts payable and other liabilities	**6,521,271,752**	7,010,503,043	-7%
Loans payable	**19,240,783,704**	18,699,823,576	3%
Bonds payable	**2,967,303,846**	2,965,754,165	0%
Contract liabilities	**616,064,789**	595,701,610	3%
Advances from non-controlling interests	**1,058,519,597**	1,058,519,597	0%
Net retirement liability	**63,405,638**	53,898,518	18%
Net deferred tax liabilities	**2,803,071,027**	2,674,091,353	5%
Total Liabilities	**33,270,420,353**	33,058,291,862	1%
Equity attributable to equity holders of the Parent Company			
Capital stock	**1,004,721,996**	1,004,721,996	0%
Additional paid-in capital	**6,464,321,710**	6,464,321,710	0%
Treasury shares	**(1,000,000,000)**	(1,000,000,000)	0%
Parent Company's preferred shares held by a subsidiary	**(26,500,000)**	(26,500,000)	0%
Retained earnings	**5,467,291,263**	5,297,671,791	3%
Other equity reserves	**213,316,409**	213,316,409	0%
	12,123,151,378	11,953,531,906	1%
Non-controlling interests	**2,701,845,648**	2,695,218,970	0%
Total Equity	**14,824,997,026**	14,648,750,876	1%
Total Liabilities and Equity	**₱ 48,095,417,379**	₱ 47,707,042,738	1%

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

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

17% Decrease in Cash and Cash Equivalents
The decrease is largely due to payments related to operations of the group.

20% Increase in Financial Assets at Fair Value through Profit or Loss
The increase is due to new investments made in this period.

35% Decrease in Receivables
The decrease is mainly from the collections received from customers and SEAIMMO from the sale of 40% interest in ZLDC.

5% Increase in Creditable Withholding Taxes
The increase is mainly due to the recognition of project management fees for new projects, resulting in higher income subject to withholding.

10% Increase in Input Value-added Tax (VAT)
The increase is primarily driven by payments for construction costs and management fees incurred during the period.

7% Increase in Contract Assets
The increase is due to new real estate contracts recognized during the period mainly from buyers of Eluria and UNA Apartments.

6% Increase in Investment Properties
The increase is mainly attributable to the reclassification of Cebu Exchange assets from real estate for sale, supplemented by fair value adjustments during the period.

6% Increase in Property and Equipment
The increase mainly reflects the ongoing construction of showroom for new project LIV.

21% Increase in Other Assets
The increase is primarily driven by the annual prepayment of taxes on the company's properties and assets subject to amortization during the year.

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

7% Decrease in Accounts Payable and Other Liabilities
The decrease is mainly due to payment of accrued construction-related obligations during the period.

18% Increase in Retirement Liability
The increase is due to additional provision of retirement expense for the period.

5% Increase in Net Deferred Tax Liabilities
The increase was primarily attributable to taxes arising from the recognition of fair value gain on investment properties.

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

RESULTS OF OPERATIONS
MARCH 2026 vs MARCH 2025

	MAR 31, 2026	% of Sale	MAR 31, 2025	% of Sale	% Change
Revenues	**₱ 1,120,222,840**	**100%**	₱1,146,513,547	100%	-2%
Cost and Expenses	**681,929,869**	**61%**	664,997,991	58%	3%
GROSS INCOME	**438,292,971**	**39%**	481,515,556	42%	-9%

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

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

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

15% Increase in Administrative Expenses
The increase is mainly attributed to higher personnel expenses incurred for the period.

31% Increase in Finance Costs
The increase is due to the additional loans secured by the group.

53% Increase in Net Gain on Change in Fair Value of Investment Properties
This pertains to the revaluation gain recognized from the reclassification of Cebu Exchange assets from real estate for sale to investment properties, following a change in intended use from sale to leasing and long-term capital appreciation.

23% Decrease in Other Income - net
The decrease is mainly driven by a drop in interest earnings and gains on financial assets at FVPL.

44% Increase in Provision for Income Tax
The increase is primarily attributed to higher taxable income in the first quarter of 2026.

FINANCIAL RATIOS
MARCH 2026 vs DECEMBER 2025 vs MARCH 2025

RATIO	**FORMULA**	**MAR 2026**	DEC 2025	MAR 2025
Current Ratio	Current Assets / Current Liabilities	**1.76:1**	1.86:1	1.68:1
Acid Test Ratio	Quick Assets / Current Liabilities	**0.22:1**	0.32:1	0.38:1

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

December 2025 ratio is based on full year income while March 2026 and March 2025 ratios are based on three-month income.
**Mar 2025: Total Debt [Bonds and loans payable, amount payable for purchase of interest in a subsidiary and advances from non-controlling interest] to Total Equity*