COVER SHEET

C S 2 0 0 4 1 1 5 9 3
S.E.C. Registration Number

ANCHOR LAND HOLDINGS, INC.

(Company's Full Name)

15TH FLOOR, L.V. LOCSIN BLDG.
6752 AYALA AVE. COR. MAKATI
AVE. MAKATI CITY

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

CHRISTINE P. BASE	**(02) 8844-3871**
Contact Person	**Company Telephone Number**

12 (Month) **31** (Day)	**17-Q**	**07** (Month) **30** (Day)
Fiscal Year	FORM TYPE	Annual Meeting

N/A
Secondary License Type, If Applicable

CFD	
Dept. Requiring this Doc.	**Amended Articles Number/Section**

Total Amount of Borrowings

92		
Total No. of Stockholders	**Domestic**	**Foreign**

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

CASHIER

STAMPS

SEC Number **CS200411593**
File Number ___________

ANCHOR LAND HOLDINGS, INC.

Company's Full name

15th Floor, L.V. Locsin Building, 6752 Ayala Avenue
Corner Makati Avenue, Makati City, Philippines 1228
Company's Address

(02) 8844-3871
Telephone Number

December 31
Fiscal Year Ending
(month & day)

17-Q (1st Quarter)

Form Type

____
Amended Designation (if applicable)

March 31, 2026
Period Ended Date

Registered and Listed
Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

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

2. Commission identification number **CS200411593** 3. BIR Tax Identification No. **232-639-838-000**

4. Exact name of issuer as specified in its charter **ANCHOR LAND HOLDINGS, INC.**

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

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

7. Address of issuer's principal office **15th Floor, L.V. Locsin Building, 6752 Ayala Avenue corner Makati Avenue, Makati City, Philippines**
   Postal Code **1228**

8. Issuer's telephone number, including area code **(02) 8844-3871**

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

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

Title of Each Class	Number of Shares Outstanding and Amount of Debt Outstanding
Common Shares	**1,040,001,000 Shares**
Preferred Shares	**346,667,000 Shares**
Loans Payable	**₱22,870,972,907**

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

    Yes [**X**] No [ ]

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

    Philippine Stock Exchange **Common Shares**

12. Indicate by check mark whether the registrant:

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

    Yes [**X**] No [ ]

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

    Yes [**X**] No [ ]

PART I. FINANCIAL INFORMATION

Financial Statements

Basis of Preparation
The consolidated financial statements of the Group have been prepared using the historical cost basis. The consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. All amounts are rounded to the nearest peso, except when otherwise indicated.

The accompanying consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance
The accompanying consolidated financial statements are prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards include Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies as discussed in Note 2 of the consolidated financial statements.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continues to be consolidated until the date that such control ceases.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Group has selected and applied accounting policies so that the consolidated financial statements will comply with all the requirements of PFRS Accounting Standards. If there are no specific requirements, management develops policies to ensure that the consolidated financial statements provide relevant and reliable information.

The Group maintains and adopts accounting principles or practices which affect relevance, reliability and comparability of the consolidated financial statements with those of prior periods.

The Group has made no significant changes in the accounting estimates of the amounts reported during the interim period of the consolidated financial year and in the comparative interim period or changes in estimates of amounts reported in prior financial year.

ANCHOR LAND HOLDINGS, INC. AND SUBSIDIARIES
MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis of the Group's financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements, including the related notes contained herein.

Results of Operations (January – March 31, 2026 vs. January – March 31, 2025)

For the three-month period ended March 31, 2026, the Group recorded Total Revenues of ₱7.34 billion, representing an increase of ₱5.52 billion from ₱1.82 billion in the same period in 2025. The increase was primarily attributable to the recognition of a gain on sale from the disposal of noncurrent asset held for sale amounting to ₱6.20 billion.

Real estate sales decreased by ₱663.30 million from ₱1.52 billion in 2025 to ₱856.54 million in 2026. The decline was primarily due to lower sales recognition and lower project construction accomplishment during the period with the continuing challenges in the Philippine real estate market, including softer demand, higher interest rates in recent periods, cautious buyer sentiment, and increased competition within the condominium segment.

On the other hand, cost of real estate sales increased by ₱605.31 million due to higher construction and development costs brought by continuing inflation and increases in prices of construction materials, labor, fuel, utilities, and logistics. The increase in global oil prices arising from international geopolitical tensions and supply disruptions also contributed to higher materials, labor and other direct construction costs, which adversely affected construction activities and overall project costs.

Rental income remained steady with a minimal decrease of 3% mainly attributable to changes in occupancy levels of certain leased properties.

Hotel operation revenues increased by ₱15.05 million or 14%, from ₱104.36 million to ₱119.41 million due to the additional revenue contribution from the operations of SAVEA Bay City Manila.

Interest and other income significantly increased by ₱6.17 billion from ₱76.51 million to ₱6.25 billion, primarily due to the recognition of gain on sale amounting to ₱6.20 billion arising from the disposal of noncurrent asset held for sale during the period.

As a result of the foregoing, Net Income increased by ₱3.45 billion from ₱165.83 million in 2025 to ₱3.62 billion in 2026.

Financial Condition (March 31, 2026 vs. December 31, 2025)

As of March 31, 2026, Total Assets amounted to ₱50.99 billion, representing an increase of ₱5.84 billion or 13% from ₱45.15 billion as of December 31, 2025. The increase was primarily attributable to the recognition of receivables arising from the sale of a noncurrent asset held for sale during the period, higher cash balances from partial proceed received from sale transaction, and increase in other current assets because of the creditable withholding taxes. These increases were partially offset by the derecognition of the noncurrent asset held for sale following the disposal.

Total Liabilities increased by ₱2.22 billion or 6%, from ₱35.77 billion as of December 31, 2025 to ₱37.99 billion as of March 31, 2026. The increase was primarily attributed by higher accounts and other payables and income tax payable arising from the sale transaction and related obligations recognized. This was partially offset by the reduction in loans payable resulting from payments made using a portion of the proceeds received from the sale of the asset. Consequently, both current and noncurrent loans payable decreased during the period due to loan settlements.

Total Equity increased by ₱3.62 billion or 39%, from ₱9.38 billion as of December 31, 2025 to ₱13.00 billion as of March 31, 2026. The increase was primarily attributable to the Net Income recognized during the period amounting to ₱3.62 billion, caused by the gain on sale recognized from the disposal of noncurrent asset held for sale.

Material Changes to the Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2026 compared with the Three Months Ended March 31, 2025 (Increase/Decrease of 5% or more)

Real estate sales decreased by ₱663.30 million, attributed to the lower construction accomplishments and lower sales level during the period.

Management fees increased by ₱2.56 million or 19% due to higher property management and personnel cost billings during the period.

Revenue and cost of hotel operations increased by 14% or ₱15.05 million and 17% or ₱11.12 million, respectively, due the operations of new hospitality property in Paranaque City.

Interest and other income increased by ₱6.17 billion due to the recognition of gain on sale from the disposal of noncurrent asset held for sale.

Cost of real estate sales increased by 69% or ₱605.31 million, primarily due to higher construction and development costs, including increases in prices of construction materials, labor, fuel, and logistics.

Selling and administrative expenses increased by 84% or ₱370.03 million mainly due to increases in taxes and licenses arising from documentary stamp tax from sale of asset.

Finance costs increased by 34% or ₱71.55 million due to higher interest rates from loans.

As a result of these movements, net income increased by ₱3.45 billion, while provision for income tax also increased by ₱1.01 billion.

Material Changes to the Balance Sheet as at March 31, 2026 compared to December 31, 2025 (Increase/Decrease of 5% or more)

Cash and cash equivalents increased by 41% or ₱567.58 million because due to the collections from the buyers and tenants, and the partial proceeds received from the disposal of noncurrent asset held for sale.

Receivables (including noncurrent portion) increased by ₱9.42 billion mainly due to the recognized receivable from the disposal of noncurrent asset held for sale.

Property and equipment increased by 6% or ₱464.74 million due to the costs incurred for construction activities of projects for serviced residences operations.

Deferred tax assets decreased by ₱308.12 million due to changes in recognition of deferred taxes related to NOLCO and difference between tax and book basis for real estate and leasing accounting.

Other assets (including noncurrent portion) increased by 68% or ₱1.99 billion mainly due to the increase in creditable withholding taxes arising from the sale of noncurrent asset held from sale.

Accounts and other payables (including noncurrent portion) increased by or ₱7.67 billion due to the accrued obligations from the sale of asset.

Income tax payable increased by ₱796.03 million due to the significant increase in taxable income as a result of gain recognized from the disposal of noncurrent asset held for sale.

Loans payable (including noncurrent portion) decreased by 19% or ₱5.50 billion due to the pre-termination and settlement of loans during the period.

Customers' advances and deposits (including noncurrent portion) decreased by 24% or ₱600.09 million due to revenue recognition of reservation sales from the prior year.

Lease liabilities (including noncurrent portion) decreased by 15% or ₱11.06 million due to the lease payments made during the period.

Deferred tax liabilities decreased by ₱144.58 million primarily because certain subsidiaries ended the reporting period with net deferred tax asset positions.

Retained earnings increased by ₱3.62 billion from the net income recorded during the period.

KEY PERFORMANCE INDICATORS

The Group assessed its performance based on the following key performance indicators:

	As at March 31, 2026	As at December 31, 2025
Liquidity Ratio:		
(1) Current Ratio	**1.33 : 1**	1.37 : 1
(2) Debt to Equity Ratio	**2.92 : 1**	3.81 : 1
(3) Asset to Equity Ratio	**3.92 : 1**	4.81 : 1

	For the period ended March 31, 2026	For the period ended March 31, 2025
(4) Earnings before Interest, Taxes, Depreciation and Amortization	**₱5,039.16 million**	₱645.17 million
(5) Interest Coverage Ratio	**9.50 : 1**	1.58 : 1
(6) Return on Revenue	**49.3%**	9.1%
(7) Return on Equity	**28%**	2%
(8) Basic Earnings per Share	**₱3.47**	₱0.15

(1) Current Assets / Current Liabilities
(2) Total Liabilities / Total Stockholders' Equity
(3) Total Assets / Total Stockholders' Equity
(4) Income before Tax , Interest, Depreciation and Amortization
(5) Income before Tax, Interest, Depreciation and Amortization / Interest Expense
(6) Net Income attributable to equity holders / Total Revenue
(7) Net Income attributable to equity holders / Total Stockholders' Equity
(8) Net Income attributable to equity holders – Preferred Shares Dividends / Outstanding Shares

These key indicators were chosen to provide management with a measure of the Group's financial strength (Current Ratio and Debt to Equity) and a measure of the Group's ability to maximize the value of its stockholders' investment in the Group (Earnings per Share, Earnings before Interest and Taxes and Return on Equity).

The Group will continue to identify potential sites for development and pursue expansion activities by establishing landmark developments in the high rise residential luxury condominium and investment properties. The Group intends to implement this by putting up the required resources needed for the development of its existing and future projects.

OTHER INTERIM DISCLOSURES

Other than those items already disclosed in the consolidated financial statements and in this report, there were no material events or uncertainties known to management as at March 31, 2026, in respect of the following:

- Any known trends, demands, commitments, events or uncertainties that are reasonably expected to have a material effect on liquidity. The Group does not anticipate having within the next 12 months any liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases or other indebtedness or financing agreement.

- Events that will trigger material financial obligation to the Group.

- Material off-balance sheet transactions, arrangements, obligations and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

- Known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales/revenue/income from continuing operations.

- Significant elements of income or loss that did not arise from the Group’s continuing operations.

- Seasonal aspects that had material effect on the financial condition or result of operations.

AGING OF RECEIVABLES
As at March 31, 2026

			Past due				Individually Impaired
	Total	Current	<30 days	30-60 days	61-90 days	>90 days	
Installment contracts receivable	₱3,579,002,452	₱3,408,642,877	₱35,463,861	₱22,185,691	₱21,636,838	₱91,073,185	₱–
Receivable from sale of asset	10,250,000,000	10,250,000,000	–	–	–	–	
Note receivable	354,037,410	354,037,410	–	–	–	–	–
Rental receivable	27,778,906	24,806,484	587,006	277,449	179,379	1,928,588	–
Advances to employees and agents	33,850,255	33,850,255	–	–	–	–	–
Due from condominium associations	43,153,351	43,153,351	–	–	–	–	–
Others	79,905,858	56,115,919	1,319,582	2,255,945	761,500	2,249,561	17,203,351
	₱14,367,728,232	₱14,170,606,296	₱37,370,449	₱24,719,085	₱22,577,717	₱95,251,334	₱17,203,351

PART II. OTHER INFORMATION

For the period ended March 31, 2026, the Group reported the following information on SEC Form 17-C:

Date of Report	Nature of Item Reported
April 7, 2026	Board Approvals for the following: 1. Consolidated Financial Statements as of and for the year ended December 31, 2025 of ALHI and its subsidiaries; 2. Annual Report (SEC Form 17-A) and Sustainability Report; 3. Setting of the Annual Stockholders' Meeting (ASM) of the Corporation on July 9, 2026 and the delegation of the authority to Management to set other relevant details pertaining to the ASM, including but not limited to the Record Date, the time and venue of the ASM, and other details which may be deemed necessary for the meeting.
April 7, 2026	Postponement of Annual Stockholders' Meeting from June 25, 2026, as mandated by the Corporation's By-Laws, to July 9, 2026.

Signature

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

By:

Registrant: **Anchor Land Holdings, Inc.**

CHARLES STEWART LEE
Chairman

NEIL Y. CHUA
Chief Finance Officer

Anchor Land Holdings, Inc.
and Subsidiaries

Consolidated Financial Statements
March 31, 2026 and December 31, 2025
And Periods Ended March 31, 2026 and 2025
And Years Ended December 31, 2025 and 2024

ANCHOR LAND HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱1,944,959,790**	₱1,377,376,672
Receivables (Note 5)	**12,370,063,022**	3,224,967,856
Real estate for development and sale (Note 6)	**15,110,940,735**	14,694,397,026
Noncurrent asset held for sale (Note 7)	**–**	6,869,589,956
Other current assets (Note 8)	**4,532,887,027**	2,485,130,959
	33,958,850,574	28,651,462,469
Noncurrent Assets		
Receivables - net of current portion (Note 5)	**1,980,461,859**	1,707,044,358
Property and equipment (Note 9)	**7,944,962,460**	7,480,220,910
Investment properties (Note 10)	**6,708,147,504**	6,552,837,404
Deferred tax assets - net (Note 19)	**4,710,607**	312,828,588
Other noncurrent assets (Note 11)	**394,038,720**	447,473,435
	17,032,321,150	16,500,404,695
	₱50,991,171,724	₱45,151,867,164
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 12)	**₱10,860,046,115**	₱3,226,169,471
Lease liabilities - current portion (Note 23)	**48,149,472**	46,840,767
Income tax payable	**906,123,330**	110,095,193
Loans payable - current portion (Note 13)	**11,792,373,852**	15,074,536,658
Customers' advances and deposits - current portion (Note 14)	**1,890,548,059**	2,483,835,915
	25,497,240,828	20,941,478,004
Noncurrent Liabilities		
Accounts and other payables - net of current portion (Note 12)	**1,284,726,470**	1,245,196,037
Lease liabilities - net of current portion (Note 23)	**13,647,790**	26,014,862
Loans payable - net of current portion (Note 13)	**11,078,599,055**	13,292,961,078
Customers' advances and deposits - net of current portion (Note 14)	**2,087,096**	8,890,443
Deferred tax liabilities - net (Note 19)	**–**	144,578,425
Pension liabilities (Note 18)	**117,876,507**	113,303,261
	12,496,936,918	14,830,944,106
	37,994,177,746	35,772,422,110

(Forward)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Equity (Note 20)		
Capital stock		
Common stock	**₱1,040,001,000**	₱1,040,001,000
Preferred stock	**346,667,000**	346,667,000
Additional paid-in capital	**632,687,284**	632,687,284
Other comprehensive income - actuarial gain on pension liabilities	**66,467,711**	66,467,711
Retained earnings	**10,911,170,983**	7,293,622,059
	12,996,993,978	9,379,445,054
	₱50,991,171,724	₱45,151,867,164

See accompanying Notes to Consolidated Financial Statements.

ANCHOR LAND HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Periods Ended March 31 (Unaudited)		Years Ended December 31 (Audited)	
	2026	2025	2025	2024
REVENUE				
Real estate sales (Note 22)	**₱856,542,810**	₱1,519,845,632	₱4,308,435,654	₱4,145,855,894
Rental income (Notes 10, 14, 22 and 23)	**101,004,188**	104,064,792	445,027,435	1,009,480,315
Management fee (Note 22)	**15,923,742**	13,361,749	57,018,797	48,816,898
Hotel operation (Note 22)	**119,407,773**	104,359,903	401,771,827	385,708,191
Interest and other income (Notes 4, 5, 7, 16 and 22)	**6,248,197,018**	76,507,407	294,647,248	490,444,652
	7,341,075,531	1,818,139,483	5,506,900,961	6,080,305,950
COSTS AND EXPENSES				
Real estate (Notes 6, 17 and 22)	**1,488,605,344**	883,294,751	2,404,855,297	2,224,449,382
Hotel operation (Notes 17 and 22)	**76,190,222**	65,073,458	266,669,622	254,962,522
Selling and administrative (Notes 17 and 22)	**809,394,063**	439,363,941	1,514,217,965	1,715,368,280
Finance costs (Notes 13, 18, 22 and 23)	**279,572,196**	208,020,651	830,066,679	1,008,714,324
	2,653,761,825	1,595,752,801	5,015,809,563	5,203,494,508
INCOME BEFORE INCOME TAX	**4,687,313,706**	222,386,682	491,091,398	876,811,442
PROVISION FOR INCOME TAX (Note 19)	**1,069,764,782**	56,552,932	175,261,489	229,129,126
NET INCOME	**3,617,548,924**	165,833,750	315,829,909	647,682,316
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss in subsequent years:				
Actuarial gain on pension liabilities (Note 18)	–	–	1,680,723	388,149
Income tax effect (Note 19)	–	–	(420,181)	(97,037)
	–	–	1,260,542	291,112
TOTAL COMPREHENSIVE INCOME	**₱3,617,548,924**	₱165,833,750	₱317,090,451	₱647,973,428
Net income attributable to:				
Equity holders of Anchor Land Holdings, Inc.	**₱3,617,548,924**	₱165,833,750	₱315,829,909	₱647,682,316
Non-controlling interests	–	–	–	–
	₱3,617,548,924	₱165,833,750	₱315,829,909	₱647,682,316
Total comprehensive income attributable to:				
Equity holders of Anchor Land Holdings, Inc.	**₱3,617,548,924**	₱165,833,750	₱317,090,451	₱647,973,428
Non-controlling interests	–	–	–	–
	₱3,617,548,924	₱165,833,750	₱317,090,451	₱647,973,428
Basic/Diluted Earnings Per Share (Note 24)	**₱3.47**	₱0.15	₱0.28	₱0.60

See accompanying Notes to Consolidated Financial Statements.

ANCHOR LAND HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of Parent						
	Common Stock (Note 20)	**Preferred Stock** (Note 20)	**Additional Paid-in Capital**	**Other Comprehensive Income**	**Retained Earnings** (Note 20)	**Attributable to Non-controlling Interests**	**Total**
At January 1, 2026	**₱1,040,001,000**	**₱346,667,000**	**₱632,687,284**	**₱66,467,711**	**₱7,293,622,059**	**₱–**	**₱9,379,445,054**
Net income / Total comprehensive income	–	–	–	–	**3,617,548,924**	–	**3,617,548,924**
Dividends declared	–	–	–	–	–	–	–
At March 31, 2026 (Unaudited)	**₱1,040,001,000**	**₱346,667,000**	**₱632,687,284**	**₱66,467,711**	**₱10,911,170,983**	**₱–**	**₱12,996,993,978**
At January 1, 2025	₱1,040,001,000	₱346,667,000	₱632,687,284	₱65,207,169	₱7,047,125,550	₱–	₱9,131,688,003
Net income / Total comprehensive income	–	–	–	–	165,833,750	–	165,833,750
Dividends declared	–	–	–	–	(69,333,400)	–	(69,333,400)
At March 31, 2025 (Unaudited)	₱1,040,001,000	₱346,667,000	₱632,687,284	₱65,207,169	₱7,143,625,900	₱–	₱9,228,188,353
At January 1, 2025	₱1,040,001,000	₱346,667,000	₱632,687,284	₱65,207,169	₱7,047,125,550	₱–	₱9,131,688,003
Net income / Total comprehensive income	–	–	–	1,260,542	315,829,909	–	317,090,451
Dividends declared	–	–	–	–	(69,333,400)	–	(69,333,400)
At December 31, 2025 (Audited)	₱1,040,001,000	₱346,667,000	₱632,687,284	₱66,467,711	₱7,293,622,059	₱–	₱9,379,445,054
At January 1, 2024	₱1,040,001,000	₱346,667,000	₱632,687,284	₱64,916,057	₱6,468,776,634	–	₱8,553,047,975
Net income	–	–	–	–	647,682,316	–	647,682,316
Other comprehensive income	–	–	–	291,112	–	–	291,112
Total comprehensive income	–	–	–	291,112	647,682,316	–	647,973,428
Dividends declared	–	–	–	–	(69,333,400)	–	(69,333,400)
At December 31, 2024 (Audited)	₱1,040,001,000	₱346,667,000	₱632,687,284	₱65,207,169	₱7,047,125,550	₱–	₱9,131,688,003

See accompanying Notes to Consolidated Financial Statements.

ANCHOR LAND HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three-Month Periods Ended March 31 (Unaudited)		Years Ended December 31 (Audited)	
	2026	2025	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**₱4,687,313,706**	₱222,386,682	₱491,091,398	₱876,811,442
Adjustments for:				
Finance costs (Notes 13, 18, 22 and 23)	**279,572,196**	208,020,651	830,066,679	1,008,714,324
Depreciation and amortization (Notes 9, 10, 11 and 17)	**72,277,306**	111,160,150	256,484,334	440,314,880
Interest income - net (Notes 4, 5, and 16)	**(25,527,368)**	(18,865,043)	(72,168,731)	(65,336,639)
Pension costs (Note 18)	**2,755,308**	2,521,797	11,021,233	10,087,190
Gain on sale of asset (Notes 7 and 16)	**(6,197,214,706)**	–	–	–
Operating income before working capital changes	**(1,180,823,558)**	525,224,237	1,516,494,913	2,270,591,197
Decrease (increase) in:				
Receivables	**803,934,204**	(349,712,229)	(1,712,985,256)	(1,432,668,678)
Real estate for development and sale	**(416,543,709)**	(123,959,165)	(1,049,989,197)	(1,243,189,320)
Other assets	**(1,151,123,156)**	(116,324,347)	(128,915,199)	77,313,127
Increase (decrease) in:				
Accounts and other payables	**2,464,295,319**	152,748,706	263,909,440	17,390,554
Customers' advances and deposits	**(600,091,203)**	(457,328,876)	(320,457,419)	(115,359,367)
Net cash generated from (used in) operations	**(80,352,103)**	(369,351,674)	(1,431,942,718)	(425,922,487)
Proceeds from sale of asset	**8,053,571,429**	–	–	–
Interest received	**25,527,368**	18,865,043	72,168,731	65,336,639
Income taxes paid *(including creditable withholding taxes)*	**(953,630,758)**	(39,129,277)	(236,508,953)	(303,145,809)
Pension benefits paid (Note 18)	**–**	–	(2,221,666)	–
Net cash provided (used in) operating activities	**7,045,115,936**	(389,615,908)	(1,598,504,606)	(663,731,657)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investment properties	**(172,600,331)**	(196,580,629)	(672,754,443)	(609,508,784)
Property and equipment	**(519,486,984)**	(93,305,708)	(620,069,610)	(398,980,659)
Software costs	**(6,170)**	(1,284,382)	(1,542,856)	(1,983,085)
Collection of notes receivable	**27,553,129**	27,553,129	110,212,515	110,212,515
Net cash used in investing activities	**(664,540,356)**	(263,617,590)	(1,184,154,394)	(900,260,013)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loan availments	**566,994,650**	1,504,094,089	10,361,942,462	8,924,776,352
Payments of:				
Loans payable	**(6,119,410,232)**	(585,405,408)	(6,841,680,682)	(5,863,764,537)
Interest	**(248,252,710)**	(208,694,794)	(855,673,254)	(930,996,322)
Dividends (Note 20)	**–**	–	(69,333,400)	(69,333,400)
Lease liabilities (Note 23)	**(12,324,170)**	(11,737,336)	(48,514,491)	(48,028,890)
Net cash provided by financing activities (Note 25)	**(5,812,992,462)**	698,256,551	2,546,740,635	2,012,653,203
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**567,583,118**	45,023,053	(235,918,365)	448,661,533
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,377,376,672**	1,613,295,037	1,613,295,037	1,164,633,504
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱1,944,959,790**	₱1,658,318,090	₱1,377,376,672	₱1,613,295,037

See accompanying Notes to Consolidated Financial Statements.

ANCHOR LAND HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information and Authorization for the Issuance of the Financial Statements**

Corporate Information
Anchor Land Holdings, Inc. (the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on July 29, 2004. The Parent Company started its operations on November 25, 2005 and eventually traded its shares to the public in August 2007. The registered office address of the Parent Company is at 15th Floor, L.V. Locsin Building, 6752 Ayala Avenue corner Makati Avenue, Makati City.

Below are the Parent Company's subsidiaries with its respective percentage ownership in 2026 and 2025:

	Direct	Indirect
Posh Properties Development Corporation (PPDC) (formerly Anchor Land Hotels & Resorts, Inc. or ALHRI)	**100.00%**	–
Basiclink Equity Investment Corp. (BEIC) [a]	–	**60.00%**
Realty & Development Corporation of San Buenaventura (RDCSB) [b]	–	**100.00%**
Pasay Metro Center, Inc. (PMCI) [b]	–	**100.00%**
Fersan Realty Corporation (FRC)	–	**100.00%**
Irenealmeda Realty, Inc. (IRI) [b]	–	**100.00%**
One Binondo Prime Properties Corp (OBPPC) [c]	–	**100.00%**
Momentum Properties Management Corporation (MPMC)	**100.00%**	–
Eisenglas Aluminum and Glass, Inc. (EAGI) [b]	–	**100.00%**
Marathon Properties Management and Holdings, Corporation (MPMHC)	–	**100.00%**
Anchor Land Global Corporation (ALGC)	**100.00%**	–
1080 Soler Corp. (1080SC)	–	**100.00%**
BEIC [a]	–	**40.00%**
Teamex Properties Development Corporation (TPDC) [c]	–	**100.00%**
Admiral Hospitality Management, Inc. (AHMI)	–	**100.00%**

[a] *BEIC is a wholly-owned subsidiary of the Parent Company through PPDC and ALGC which own percentage ownership of 60% and 40%, respectively, over BEIC.*
[b] *Ceased commercial operations.*
[c] *Has not yet started commercial operations.*

All of the Parent Company's subsidiaries were incorporated and domiciled in the Philippines.

The Parent Company and its subsidiaries (collectively called "the Group") have principal business interest in the development and sale of high-end residential condominium units and in the development and leasing of commercial, warehouse, residential units and office spaces, as well as property management services and hotel operation.

The following are the changes in the Group's structure for the year-ended December 31, 2025:

- On March 25, 2025, the Board of Directors (BOD) and stockholders of ALHRI, APC, ARCI, GRIC, NHI, and PPDC approved and authorized the Plan of Merger of these subsidiaries with ALHRI as the surviving entity. On December 12, 2025, SEC approved the Articles and Plan of Merger, at which date the merger became effective. On the same date, the SEC also approved the amendment of ALHRI's Articles of Incorporation to effect the change in the corporate name and adopt the name Posh Properties Development Corporation, one of the absorbed entities in the merger.

The following are the changes in the Group's structure for the year-ended December 31, 2024:

- The Parent Company acquired additional subscribed shares of MPMC increasing total amount of shares to ₱1.00 million.
- The Parent Company sold 100% of the voting shares of ALHRI to PPDC.
- MPMC acquired additional subscribed shares of MPMHC.

Authorization for the Issuance of the Consolidated Financial Statements
The consolidated financial statements of the Group as at March 31, 2026 and December 31, 2025, and for each of the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the BOD on May 14, 2026.

2. Material Accounting Policy Information

Basis of Preparation
The consolidated financial statements of the Group have been prepared using the historical cost basis. The consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional currency. All amounts are rounded to the nearest peso, except when otherwise indicated.

The accompanying consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance
The accompanying consolidated financial statements are prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, entities over which the Parent Company has control.

Specifically, the Parent Company controls an investee if and only if the Parent Company has all the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- Any contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- The Parent Company's voting rights and potential voting rights.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date when such control ceases.

Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the date the Parent Company gains control or until the date when the Parent Company ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions and gains and losses resulting from intra-group transactions and dividends are eliminated in full. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position.
- Recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRS Accounting Standards. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9, *Financial Instruments* or, when appropriate, the cost on initial recognition of an investment in associate or joint venture.
- Recognizes the gain or loss of control attributable to the former controlling interest.

<u>Non-controlling Interests</u>
NCI represent the portion of income and expenses and net assets in subsidiaries that are not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separate from the equity attributable to the equity holders of the Parent Company.

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the following new and amended PFRS Accounting Standards which were adopted beginning January 1, 2026. The adoption of this pronouncement did not have any significant impact to the Group's statements of financial position and performance unless otherwise indicated.

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9
  - Lessee Derecognition of Lease Liabilities
    The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  - Transaction Price
    The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*
  The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

<u>Standards and Interpretation Issued but Not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect the future adoption of these pronouncements to have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

  The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

The Group does not expect the standard to have a significant impact on its consolidated financial statements.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

  The Group will apply the new standard from its mandatory effective date of January 1, 2027.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

  The Group does not expect this standard to have a material impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

  The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Material Accounting Policies
The following accounting policies were applied in the preparation of the Group's consolidated financial statements:

Current and Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification.

An asset is classified as current when it is:
- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months from the reporting date; or,
- cash and cash equivalents, unless restricted from being exchanged or used to settle a liability for at least within 12 months from the reporting date.

A liability is classified as current when:
- it is expected to be settled within the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months from the reporting date; or,
- there is no unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

The Group classifies all other assets and liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash in banks are stated at face amount and earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments
Date of recognition
The Group recognizes a financial asset or a liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

a. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial asset at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit of loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions of the same instrument or based on a valuation technique whose variables include only data from an observable market, the Group recognizes the difference between the transaction price and fair value ('Day 1' difference) in profit or loss unless it qualifies for recognition as some other type of asset and liability. In cases where inputs to the valuation technique are not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

As at March 31, 2026 and December 31, 2025, the Group's financial assets are in the nature of financial assets at amortized cost (debt instruments).

<u>Financial assets at amortized cost</u>

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade receivables from real estate sales which are included in the installment contracts receivable, rental receivable, note receivable, receivable from sale of asset, due from condominium associations, other receivables, utility and security deposits and construction bond deposits.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying value of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group uses vintage analysis for installment contracts receivable and established provision matrix for the rest of the receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such 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. The Group uses external credit ratings of the banks to assess whether the financial instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include "Accounts and other payables (except "Other taxes payable")", "Lease liabilities", "Loans payable" and other liabilities that meet the above definition (other than liabilities covered by other accounting standards).

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

<u>Loans and borrowings</u>

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of comprehensive income.

This category generally applies to accounts and other payables (excluding other taxes and statutory payables), lease liabilities and loans payable.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying value is recognized in the consolidated statements of comprehensive income.

c. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Real Estate for Development and Sale

Real estate for development and sale is constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventory and are measured at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated costs to complete and estimated costs to sell.

Cost includes the purchase price of land and those costs incurred for the development and improvement of the properties such as amounts paid to contractors, capitalized borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

In case of sales cancellation, the Company can repossess the properties and hold it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are accounted for as inventories and recognized at cost at the time of cancellation.

Land held for development includes properties that are currently under development and intended for future sale. These properties are reclassified as condominium units for sale once they are ready for their intended sale or upon obtaining a license to sell.

Noncurrent Asset Held for Sale

The Group classifies noncurrent assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent asset held for sale is measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Properties are not depreciated or amortized once classified as held for sale. Noncurrent asset held for sale is presented separately under current assets in the consolidated statement of financial position.

Advances to Contractors and Suppliers and Retention Payable

Amounts paid to contractors and suppliers in advance are not part of real estate for development and sale but presented as “Advances to contractors and suppliers” under “Other current assets” and “Other noncurrent assets” in the consolidated statements of financial position.

Advances to contractors and suppliers are carried at cost less any impairment in value.

Advances to contractors and suppliers are classified based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for (e.g. real estate for development and sale, investment properties and property and equipment).

Portion of the contractors’ progress billings withheld by the Group is presented as “Retention payable” under “Accounts and other payables” in the consolidated statements of financial position. This serves as security from the contractor should there be defects in the project and will be released after the satisfactory completion of the contractors’ work.

Creditable Withholding Tax
Creditable withholding tax pertains to the amounts withheld from income derived from real estate sales, leasing, property management and hotel operation which can be applied against income tax payable.

Value-added Tax (VAT)
Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statements of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statements of financial position to the extent of the recoverable amount.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments of rent, insurance premiums and real property taxes. These also include the deferred portion of commissions paid to sales or marketing agents that are yet to be charged to the period the related revenue is recognized.

Other Current Assets
Other current assets include assets that are realized as part of the normal operating cycle and are expected to be realized within 12 months.

Deposits on Real Estate Properties
Deposits on real estate properties represent the Group’s advance payments to real estate property owners for the acquisition of real estate properties. Once the sale is consummated, these deposits will be applied against the selling price of the real estate property acquired.

Deposits on real estate properties is carried at cost less any impairment in value.

Deposits on real estate properties are classified as current or noncurrent based on the realization of such deposits determined with reference to the usage of the asset to which it is intended for (e.g. real estate for development and sale, investment properties or property and equipment).

Property and Equipment
The Group’s property and equipment include hotel assets (consisting of land, building, and ongoing condominium properties), leasehold improvements, office equipment, furniture and fixtures, transportation vehicles and right-of-use assets that do not qualify as investment properties.

Property and equipment are carried at cost less accumulated depreciation and amortization, and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including capitalized borrowing cost. When significant parts of property and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying value of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Depreciation and amortization of property and equipment commence when the assets are available for use and are computed on a straight-line basis over the estimated useful lives (EUL) as follows:

	Years
Office equipment	2 - 5
Furniture and fixtures	2 - 5
Transportation vehicles	3 - 5
Hotel assets	50

Leasehold improvements are amortized on a straight-line basis over term of the lease or the EUL of the asset of 3 to 5 years, whichever is shorter.

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

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization, and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged against current operations.

Investment Properties

Investment properties comprise properties which are held to earn rentals and properties under construction or redevelopment which will be held for rental upon completion as well as land currently held for undetermined use.

Investment properties are measured initially at cost, including transaction and borrowing costs. The carrying value includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are carried at historical cost less provisions for depreciation and impairment. Accordingly, land is carried at cost less any impairment in value and building is carried at cost less depreciation and any impairment in value.

Construction-in-progress (CIP) is stated at cost. The initial costs of investment property consist of its construction costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including capitalized borrowing cost. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. CIP is carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete and the property is ready for occupation.

Depreciation of investment properties is computed using the straight-line method over the EUL of the assets 20 to 50 years or lease term, whichever is lower. The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties (see Note 3).

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying value of the asset is recognized in profit or loss in the period of derecognition.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. A transfer is made from investment property when and only when there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying value of the property transferred nor the cost of that property for measurement or disclosure purposes.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that its nonfinancial assets (i.e., advances to contractors and suppliers, property and equipment, investment properties including right-of-use assets, deposits on real estate properties, and software costs) may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the expense categories of profit or loss consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 since the last impairment loss was recognized. If that is the case, the carrying value of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying value that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying value, less any residual value, on a systematic basis over its remaining useful life.

Customers' Advances and Deposits

Deposits from real estate buyers

Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenue in profit or loss once the revenue recognition threshold is met and the related obligations are fulfilled to the real estate buyers. These are treated as contract liabilities of the Group.

Deposits from lessees

Deposits from lessees include advance collections pertaining to the lease of commercial units of the Group. These collections are subsequently recognized as income under "Rental income" on a straight-line basis over the lease term.

Deposits from lessees also consist of collections from tenants for leasehold rights. Leasehold rights pertain to the right to lease the commercial space over a certain number of years.

Equity

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of share, a separate account is maintained for each class of share and the number of shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is credited to additional paid-in capital. When the shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

An entity typically incurs various costs in issuing or acquiring its own equity instruments. The transaction costs of an equity transaction are accounted for as deductions from equity (net of related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognized as an expense.

Retained earnings represent the cumulative balance of net income or losses, net of any dividend declarations.

Other Comprehensive Income

OCI are items of income and expenses that are not recognized in for the period in accordance with PFRS Accounting Standards. The Group's OCI pertains to remeasurement gains and losses arising from defined benefit pension plan which cannot be recycled to profit or loss.

Revenue Recognition

Revenue from Contract with Customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Group has concluded that it is acting as principal in majority of its revenue arrangements.

The disclosures of material accounting judgments and the use of estimates relating to revenue from contracts with customers are provided in Note 3.

Real Estate Sales
For real estate sales, the Group assesses whether it is probable that the economic benefits will flow to the Group when the sales prices are collectible. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectability is also assessed by considering factors such as past history with the buyer and the pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

The Group derives its real estate revenue from sale of condominium units, commercial units and warehouses. Revenue from sales of completed real estate project is accounted using the full accrual method. Revenue from the sale of uncompleted real estate projects are recognized over time during the construction period (or POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the Group's project engineers, as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself. Land is excluded in the measurement of POC.

If any of the criteria under the full accrual or POC method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are likewise considered as contract liabilities which is presented under the "Customers' advances and deposits" account in the consolidated statements of financial position.

Determination of the transaction price
The Company accounts for the mismatch between the percentage of collection from buyers and the POC of the project under development, incorporating the financing component into its assessment.

The Company evaluates whether a real estate contract includes a significant financing component by considering the time gap between the transfer of goods or services to the customer and the corresponding payment, along with the prevailing effective interest rate (EIR).

The determination of the financing component in the transaction price considers various factors, including the transaction price, payment terms, amortization schedule, discount rate, percentage of completion, and projected completion schedule.

Information about the Group's Performance Obligation
The Group entered into contract to sell with one identified performance obligation which is the sale of the condominium unit together with the services to transfer the title to the buyer for a corresponding contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under a financing scheme entered with the customer. The financing scheme would include payment of certain percentage of the contract price spread over the term of the contract at a fixed monthly payment with the remaining balance payable in full at the end of the period either through cash or external financing. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction.

The Group provides a quality assurance warranty which is not treated as a separate performance obligation.

Rental Income
Rental income under cancellable leases on investment properties is recognized in profit or loss based on the terms of the lease as provided under the lease contract. Rental income under a noncancellable lease agreement is recognized as income on a straight-line basis over the lease term.

Hotel operation
Hotel revenues from room rentals, food and beverage sales, and other ancillary services are recognized when the services are rendered. Revenue from other ancillary services include, among others, business center, laundry service, communication service, transportation and parking, and spa services. The services rendered are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, that is over the stay within the hotel, at a point in time for other goods or services, when they have been delivered or rendered.

Management Fee Income
The Group, as property manager, receives from the properties it administers certain amount of fee in managing their property. The property owners pay either on a fixed amount or depending on the agreement and such payment is recognized when the related services are rendered.

Interest and other income
Interest is recognized as it accrues (using the EIR method, i.e., based on the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying value of the financial asset). Other income includes gain on sale of assets, common usage service area (CUSA) charges, service revenue and customer related fees such as penalties and surcharges and income from forfeited reservations and collections, which are recognized as they accrue, taking into account the provisions of the related contract.

CUSA charges are recognized when the related services are rendered. The Company has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as agent. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Income from forfeitures (e.g. collections) is recognized upon default of potential buyers, subject to the provisions of Republic Act (RA) No. 6552, *Realty Installment Buyer Protection Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Costs and Expenses
Costs and expenses are recognized in the consolidated statements of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statements of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statements of financial position as an asset.

Cost of Real Estate Sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees, costs of land, land development costs, building costs, professional fees, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as cost of sales while the portion allocable to the unsold area being recognized as part of real estate inventories. Costs of land is accounted as fulfillment cost and is amortized over the period of performance based on the POC.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue.

Cost of Hotel Operation
Cost of hotel operation pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Selling and Administration Expenses
Selling expenses are costs incurred to sell real estate inventories, which includes advertising and promotions, among others. Administrative expenses constitute costs of administering the business. Except for commission (see disclosure in “Costs to obtain a contract” for the accounting of commission), selling and administrative expenses are recorded as incurred. These include cost of leasing services which mainly pertain to depreciation and amortization, taxes and licenses, and utilities related to the Group’s commercial projects.

Commissions paid to sales or marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Accordingly, when the POC method is used, commissions are likewise charged to expense in the period the related revenue is recognized.

<u>Contract Balances</u>
Installment Contract Receivable
An installment contract receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the considerations received from the customer and the transferred goods or services to a customer. If the Group performs by transferring goods or services to a customer before the customer pays the equivalent amount of the agreed consideration or before payment is due, the unpaid amount is classified as installment contracts receivable.

Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration 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 made. Contract liabilities are recognized based on the revenue recognition accounting policy.

The contract liabilities includes excess of collections over the total recognized installment contracts receivable based on POC and collections from customers for which revenue recognition has not yet commenced.

Contract liabilities are shown as part of the "Customers' advances and deposits" account in the consolidated statements of financial position.

Costs to Obtain a Contract
The costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Selling and administrative expenses" account under "Costs and expenses" in the consolidated statements of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract Fulfillment Assets
Contract fulfillment costs are divided into (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which if met, result in capitalization (i) costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) costs are expected to be recovered. The assessment of this criteria requires the application of judgement particularly in determining whether costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

Amortization, Derecognition and Impairment of Contract Fulfillment Assets and Capitalized Costs to Obtain a Contract
The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of sales over the expected construction period using POC following the pattern of real estate revenue recognition. The amortizations of contract fulfilment assets and capitalized costs to obtain a contract are included in the "Real estate" and "Selling and administrative" accounts under "Costs and expenses" in the consolidated statements of comprehensive income.

A contract fulfillment asset or costs capitalized to obtain a contract is derecognized when it is disposed of or when no further economic benefits are expected to flow from its use or disposal. At each reporting date, the Group determines whether there is an indication that a contract fulfillment asset may be impaired. If such indication exists, the Group makes an estimate by comparing the carrying value of the asset to the remaining amount of consideration that the Group expects to receive less those costs that relate to providing services under the contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed when testing for impairment.

In case the relevant costs demonstrate indicators of impairment, judgement is required in ascertaining the future economic benefits from these contracts as sufficient to recover the relevant assets.

Borrowing Costs

Borrowing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs (included in “Real estate for development and sale”, “Property and equipment” and “Investment properties” accounts in the consolidated statements of financial position). Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. The Group ceases the capitalization when the asset is prepared for its intended sale, which is upon obtaining the license to sell.

Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings and the actual borrowing costs eligible for capitalization for funds borrowed specifically.

All other borrowing costs are expensed in the period in which they are incurred.

Debt Issuance Costs

Transaction costs incurred in connection with the availments of long-term debts are deferred and amortized using the EIR method over the term of the related loans.

Pension Liabilities

The Group has an unfunded, noncontributory defined benefit retirement plan covering all of its qualified employees. The Group’s pension liability is the aggregate of the present value of the defined benefit obligation as of the reporting date.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Pension costs comprise the following:

- Service cost
- Interest on the pension liability
- Remeasurements of pension liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated annually by independent qualified actuaries.

Interest on the pension liability is the change during the period in the pension liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the pension liability. Interest on the pension liability is recognized in the consolidated statements of comprehensive income as “Finance costs”.

Remeasurements comprising of actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. In determining significant risks and benefits of ownership, the Group considers, among others, the significance of the lease term as compared with the EUL of the related asset. Rental income is recognized over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit is derived. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same bases as rental income.

The Group requires its tenants to pay leasehold rights pertaining to the right to use the leased unit which is reported under "Customers' advances and deposits" in the consolidated statements of financial position. Upon commencement of the lease, these payments are recognized in the consolidated statements of comprehensive income under "Rental income" on a straight-line basis over the lease term.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to account for the net present value of obligation related to the periodic lease payments. Meanwhile, right-of-use assets are also recognized to represent the economic benefits received by the Group from the right to use the underlying assets.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index

or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying value of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

<u>Income Taxes</u>
Current taxes
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

Deferred taxes
Deferred tax is provided using the liability method on temporary differences, with certain exceptions, at the reporting date between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefit of unused tax credits from the excess of 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 future taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting income nor taxable income.

The carrying values of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets 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 asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period 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.

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

Basic/Diluted Earnings per Share (EPS)
Basic EPS is computed by dividing net income for the period attributable to common stockholders by the weighted average number of common shares issued and outstanding during the period adjusted for any stock dividends issued. Diluted EPS is computed by dividing net income for the period attributable to common stockholders by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares. Basic and diluted EPS are adjusted to give retroactive effect to any stock dividends declared during the period.

As at March 31, 2026 and December 31, 2025, the Group has no dilutive potential common shares.

Segment Reporting
The Group's operating business are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets. The Group's operating business is composed of condominium sales, leasing, property management and hotel operation. Financial information on the Group's business segments are presented in Note 22 to the consolidated financial statements.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

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 asset or liability and the level of the fair value hierarchy as explained above.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events After the Reporting Date

Post year-end events up to the date of auditor's report that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Material Accounting Judgments and Use of Estimates

The preparation of the accompanying consolidated financial statements in compliance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

Real estate revenue recognition

Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell is not signed by both parties, the other signed documentations such as purchase agreement and reservation application would contain all the criteria to qualify as contract with the customer under PFRS 15.

Part of the Group's assessment process before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectability is also assessed by considering factors such as past history with the buyer, and the pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition. The Group considers the initial and continuing investments by the buyer, after reaching a certain percentage, would demonstrate the buyer's commitment to pay.

Revenue recognition and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because:
(a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date.

The promised property covering specific condominium unit and/or parking slot is specifically identified in the contract. The Group is contractually restricted to sell the promised property to another buyer or to direct it for another use. In addition, the Group has the right to enforce payment from the buyer up to the performance completed to date.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

The Group also determines the actual costs incurred to be recognized as cost of sales by estimating the unbilled costs of incurred materials, labor and overhead.

Distinction between real estate for development and sale, property and equipment and investment properties
The Group determines whether a property qualifies as real estate for development and sale, property and equipment or investment properties by considering whether the property is occupied substantially for use by or in operations of the Group; for sale in the ordinary course of the business; or, held primarily to earn rental income and capital appreciation.

Real estate for development and sale comprise both condominium units for sale and land held for development, which are properties that are held for sale in the ordinary course of the business. Principally, these are properties that the Group develops and intends to sell before or upon completion of construction.

Properties intended to earn rental and for capital appreciation are classified as investment properties while properties occupied by the Group are considered as property and equipment. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for use for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Noncurrent asset held for sale
The Group exercises judgment in determining whether noncurrent assets qualify as held for sale, particularly in assessing whether the carrying amount of such assets will be recovered principally through sale rather than through continuing use. In making this assessment, the Group considers the availability of the assets for immediate sale, the probability and timing of the disposal, and management's commitment to an active plan to dispose of the assets within 12 months.

In 2025, management assessed that the recognition criteria for the property to qualify as noncurrent asset held for sale has been satisfied. As at December 31, 2025, the carrying value of the property reclassified as noncurrent asset held for sale amounted to ₱6,869.59 million.

In March 2026, the property was sold for ₱20.50 billion (inclusive of all taxes) and gain was recognized from the sale amounting to ₱6.20 billion. This was fully settled in April 2026 (see Note 7).

Impairment of nonfinancial assets
The Group assesses impairment on its nonfinancial assets and considers the following important indicators:
- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results; and,
- Significant negative industry or economic trends.

If such indications are present and where the carrying value of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

The fair value less costs of disposal is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect the carrying value of the assets.

Management assessed that there are no indicators of impairment for the Group's nonfinancial assets as at March 31, 2026 and December 31, 2025.

As at March 31, 2026 and December 31, 2025, carrying values are as follows:

	2026	2025
Investment properties (Note 10)	**₱6,708,147,504**	₱6,552,837,404
Property and equipment (Note 9)	**7,944,962,460**	7,480,220,910
Advances to contractors and suppliers (Notes 8 and 11)	**1,318,105,337**	1,110,294,646

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of investment property
The fair value of investment property is determined by using recognized valuation techniques and the principles of PFRS 13, *Fair Value Measurement*. The significant methods and assumptions used by the Group in estimating the fair values of investment properties are set out in Note 10.

Estimated useful life of investment property
The determination of the EUL of investment property involves significant management judgment and estimation uncertainty. EUL is based on the expected period over which the assets will be available for use, taking into account historical experience with similar assets, expected usage, physical wear and tear, maintenance programs, and anticipated technological obsolescence.

The EUL and residual value of investment property are reviewed at least annually and are updated if expectations differ from previous estimates. Changes in the EUL is accounted for prospectively as changes in accounting estimates in accordance with PAS 8, *Accounting Policies,*

In 2025, management reassessed the EUL of investment properties based on updated information on usage, maintenance practices, and expected economic benefits. As a result, the EUL of some assets were revised from 30 to 50 years.

The change in estimate has been applied prospectively in accordance with PAS 8. The effect of the change resulted in a decrease in depreciation expense of ₱64.01 million for the year ended December 31, 2025. Same impact is expected for future periods, based on current estimates.

Estimating NRV of real estate inventories
The Group reviews the NRV of real estate inventories, which are recorded under "Real estate for development and sale" in the consolidated statements of financial position, and compares it with the cost, since assets should not be carried in excess of amounts expected to be realized from sale. Real estate for development and sale are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in light of recent market transactions and having taken suitable external advice. NRV in respect of inventory 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 an estimated time value of money to the date of completion.

The estimates used took into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing at the reporting date. As at March 31, 2026 and December 31, 2025, the Group's real estate for development and sale which are carried at cost amounted to ₱15,110.94 million and ₱14,694.40 million, respectively (see Note 6).

Revenue recognition
The Group's revenue from real estate sales are recognized based on the POC method. POC is determined based on the physical proportion of work done on the real estate project which requires technical determination by the Group's project engineers. The rate of completion is validated by the responsible department to determine whether it approximates the actual completion rate. Changes in estimate may affect the reported amounts of revenue and receivables.

Real estate sales amounted to ₱856.54 million, ₱1,519.85 million, ₱4,308.44 million and ₱4,145.86 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively (see Note 22).

Estimation of significant financing component
The Group's estimation of transaction price allocated to financing component makes use of estimates and assumptions that may affect the estimated amount of financing component. The financing component calculation prepared by management, which covers the calculation on whether the financing component of the Group's contract with customers is significant, is based on various inputs such as transaction price, payment terms, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

In 2026 and 2025, significant financing component amounted to ₱21.77 million and ₱232.36 million, respectively, was recognized as discount on installment contracts receivable (see Note 5). Amortization of this discount resulted in the recognition of interest income amounted to ₱17.53 million, ₱9.48 million, ₱36.85 million, and ₱24.13 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively (see Note 16).

Recognition of deferred tax assets
The Group reviews the carrying value of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies. The Group assessed its projected performance in determining the sufficiency of future taxable profit.

The deferred tax assets recognized as at March 31, 2026 and December 31, 2025 amounted to ₱414.50 million and ₱637.34 million, respectively. The Group's unrecognized deferred tax assets amounted to ₱96.90 million and ₱10.87 million as at March 31, 2026 and December 31, 2025, respectively (see Note 19).

4. Cash and Cash Equivalents

This account consists of:

	2026	2025
Cash on hand	**₱1,408,692**	₱1,410,926
Cash in banks	**1,935,532,484**	1,368,053,727
Cash equivalents	**8,018,614**	7,912,019
	₱1,944,959,790	₱1,377,376,672

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents pertain to short-term bank deposits that earn interest at the prevailing short-term investment rates. Peso denominated placements have an interest rate of 4.00% as at March 31, 2026 and December 31, 2025. The carrying values of cash and cash equivalents approximate their fair values as of reporting date.

Interest income derived from cash in banks and cash equivalents amounted to ₱0.52 million, ₱0.37 million, ₱1.53 million and ₱1.60 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively (see Note 16).

5. Receivables

This account consists of:

	2026	2025
Receivable from sale of asset (Note 7)	**₱10,250,000,000**	₱–
Installment contracts receivable - net of unamortized discount	**3,579,002,452**	4,355,977,719
Note receivable	**354,037,410**	374,108,371
Due from condominium associations	**43,153,351**	45,549,279
Advances to employees and agents	**33,850,255**	34,217,158
Rental receivable	**27,778,906**	24,343,273
Others	**79,905,858**	115,019,765
	14,367,728,232	4,949,215,565
Less allowance for impairment losses	**17,203,351**	17,203,351
	14,350,524,881	4,932,012,214
Less noncurrent portion of :		
Installment contracts receivable	**1,710,803,576**	1,415,660,621
Note receivable	**269,658,283**	291,383,737
	1,980,461,859	1,707,044,358
	₱12,370,063,022	₱3,224,967,856

Receivable from sale of asset pertains to the remaining receivable from the sale of noncurrent asset held for sale and subsequently collected in April 2026 (see Note 7).

Installment contracts receivable consist of receivables from the sale of real estate properties. These are collectible in equal monthly principal installments over the term of the contract. Installment contracts receivable are generally noninterest-bearing. The corresponding titles to the condominium units sold under this arrangement are transferred to the buyer upon full payment of the contract price.

Net unamortized discount on installment contracts receivable
In 2026 and 2025, noninterest-bearing installment contracts receivable with nominal amount of ₱2,287.46 million and ₱2,287.46 million, respectively, were initially recorded at fair value amounting to ₱2,265.69 million and ₱2,055.10 million, respectively. As at March 31, 2026 and December 31, 2025, the transaction price of the receivables was obtained by discounting future cash flows using the applicable rates of similar types of instruments ranging from 4.40% to 6.31% and 4.13% to 7.32%, respectively.

Movements in the net unamortized premium (discount) on installment contracts receivable as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Balance at January 1	**(₱261,999,155)**	(₱66,491,760)
Additions	**(21,772,040)**	(232,357,743)
Accretion (Note 16)	**17,529,083**	36,850,348
Balance at March 31 / December 31	**(₱266,242,112)**	(₱261,999,155)

Receivable financing
The Group enters into various agreements with banks whereby the Group sold its installment contracts receivable with recourse. The agreements provide substitution of contracts with default. The Group still retains the sold receivables in the receivables account and records the proceeds from these sales as loans payable. The carrying value of installment contracts receivable sold amounted to ₱661.10 million and ₱774.24 million as at March 31, 2026 and December 31, 2025, respectively. These receivables are used to secure the corresponding loans payables obtained (see Note 13).

Note receivable pertains to a receivable from former subsidiary of the Parent Company and is payable for a period of six years. The payment plan consists of equal quarterly payments that started on March 31, 2024, and carries an 8% annual interest rate. This note receivable is secured by a building designated as collateral along with the accompanying lease right over the land where the building is constructed (see Note 21). Interest income derived from note receivable amounted to ₱7.48 million, ₱9.01 million, ₱33.79 million and ₱39.61 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively (see Note 16).

Due from condominium associations pertains to advances made by the Group to the condominium association for pre-operational expenses. These are noninterest-bearing and are payable on demand.

Advances to employees and agents represent advances for operational purposes and discounts given to clients that are chargeable to agents which are noninterest-bearing and are expected to be liquidated or payable within one year.

Rental receivable pertains to receivables from the leasing operation of the Group including the effect of straight-lining. These receivables are noninterest-bearing and are collectible within the normal terms of less than 30 days.

Other receivables include utility charges to contractors, common usage service area charges to tenants, receivables from unit owners which pertains to transfer taxes and other charges initially paid by the Group in behalf of the unit owners and receivable from hotel guests. These receivables are noninterest-bearing and are normally settled within one year.

As at March 31, 2026 and December 31, 2025, the allowance for impairment losses on its other receivables amounted to ₱17.20 million.

6. Real Estate for Development and Sale

This account consists of:

	2026	2025
Condominium units for sale	**₱7,858,767,977**	₱7,648,116,596
Land held for development	**7,252,172,758**	7,046,280,430
	₱15,110,940,735	₱14,694,397,026

The rollforward of this account is as follows:

	2026	2025
Balance at January 1	**₱14,694,397,026**	₱13,644,407,829
Additions	**1,905,149,053**	3,454,844,494
Disposals - recognized as cost of real estate sales (Note 17)	**(1,488,605,344)**	(2,404,855,297)
Balance at March 31 / December 31	**₱15,110,940,735**	₱14,694,397,026

Additions during the year pertain to capitalized construction costs, and other land acquisition costs incurred, including borrowing costs capitalized until issuance of license to sell, on the Group's ongoing projects and land held for development.

The Group has not recognized any write-down of inventories as at March 31, 2026 and December 31, 2025.

As at March 31, 2026 and December 31, 2025, the carrying value of real estate for development and sale used as collateral to secure the Group's bank loans amounted to ₱10,974.59 million and ₱9,823.49 million, respectively (see Note 13).

7. Noncurrent Asset Held for Sale

In 2025, following PPDC's commitment to a plan to sell, The Centrium property was reclassified as a non-current asset held for sale. Consequently, costs amounting to ₱6,869.59 million were transferred from investment properties (see Note 10). This reclassification represents a significant non-cash transaction in the statements of cash flows.

The fair value less costs to sell exceeded the carrying amount of the property, therefore, no impairment loss was recognized in 2025. As at December 31, 2025, the carrying amount of the property amounted to ₱6,869.59 million and used as collateral for the Company's bank loans (see Note 13).

In March 2026, PPDC has sold the property at ₱20.50 billion (inclusive of all taxes) and has already received partial payment for the sale amounting to ₱10.25 billion, which was mainly used to pay the related bank loan to which the asset was used as collateral (see Note 13). The gain related to the sale of the asset amounted to ₱6.20 billion and was recognized in profit and loss. The amount was subsequently settled in full in April 2026.

8. **Other Current Assets**

This account consist of:

	2026	2025
Creditable withholding tax	**₱2,696,012,380**	₱937,400,141
Advances to contractors and suppliers	**1,115,008,371**	904,275,997
Input VAT	**562,908,522**	461,967,460
Prepaid expenses	**126,161,546**	148,684,565
Others	**32,796,208**	32,802,796
	₱4,532,887,027	₱2,485,130,959

Creditable withholding tax pertains mainly to the amounts withheld from income derived from real estate sales, leasing, property management and hotel operation. Creditable withholding tax will be applied against income tax due.

Advances to contractors and suppliers include advances and downpayments for the property development. This account also includes other advance payments made to other contractors and suppliers wherein the goods or services are not yet delivered or rendered to the Group.

Input VAT represents taxes imposed to the Group for the land acquisitions, purchases of goods from its suppliers and availment of services from its contractors, as required by Philippine taxation laws and regulations. Any excess input VAT as at reporting period will be used as tax credits against future output VAT liabilities. Management has estimated that all input VAT is recoverable at its full amount.

Prepaid expenses include prepayments of rent, insurance premiums, taxes and costs to obtain contracts, i.e., commission that is related to the real estate sales and rental contracts.

The Group recognizes the commission of marketing agents as prepaid expense upon obtaining contracts with buyers, as required by PFRS 15. This is amortized or charged to expense in the period in which the related revenue is recognized as earned (based on POC). The related liability recognized related to the cost to obtain contracts are recorded in accrued commission (see Note 12).

The movements in prepaid commission for the three-month period ended March 31, 2026 and for the year ended December 31, 2025 are as follows:

	2026	2025
Balance at January 1	**₱128,788,997**	₱191,806,857
Additions	**17,863,977**	67,937,201
Amortization (Note 17)	**(29,970,233)**	(130,955,061)
Balance at March 31 / December 31	**116,682,741**	128,788,997
Less noncurrent portion (Note 11)	**61,177,588**	68,947,936
	₱55,505,153	₱59,841,061

Additions in 2026 and 2025 includes the amount of ₱17.86 million and ₱67.94 million, respectively, which constitutes significant noncash transactions in the consolidated statements of cash flows.

9. Property and Equipment

The movements in this account are as follows:

	2026						
	Hotel Assets	**Leasehold Improvements**	**Office Equipment**	**Furniture and Fixtures**	**Transportation Vehicles**	**Right- of- Use Assets (Building)**	**Total**
Cost							
At January 1	**₱7,520,105,851**	**₱120,762,326**	**₱87,648,893**	**₱94,608,516**	**₱179,632,958**	**₱343,967,805**	**₱8,346,726,349**
Additions	**512,887,628**	**–**	**5,889,985**	**709,371**	**–**	**–**	**519,486,984**
At March 31	**8,032,993,479**	**120,762,326**	**93,538,878**	**95,317,887**	**179,632,958**	**343,967,805**	**8,866,213,333**
Accumulated Depreciation and Amortization							
At January 1	**209,411,344**	**77,015,049**	**70,752,844**	**88,343,550**	**147,347,931**	**273,634,721**	**866,505,439**
Depreciation and amortization (Note 17)	**34,060,197**	**4,063,647**	**1,675,856**	**1,333,022**	**3,611,323**	**10,001,389**	**54,745,434**
At March 31	**243,471,541**	**81,078,696**	**72,428,700**	**89,676,572**	**150,959,254**	**283,636,110**	**921,250,873**
Net Book Value	**₱7,789,521,938**	**₱39,683,630**	**₱21,110,178**	**₱5,641,315**	**₱28,673,704**	**₱60,331,695**	**₱7,944,962,460**

	2025						
	Hotel Assets	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Transportation Vehicles	Right- of- Use Assets (Building)	Total
Cost							
At January 1	₱6,931,788,068	₱116,905,357	₱74,689,544	₱90,994,436	₱168,311,529	₱343,967,805	₱7,726,656,739
Additions	588,317,783	3,856,969	12,959,349	3,614,080	11,321,429	–	620,069,610
At December 31	7,520,105,851	120,762,326	87,648,893	94,608,516	179,632,958	343,967,805	8,346,726,349
Accumulated Depreciation and Amortization							
At January 1	143,339,428	61,082,874	67,841,369	80,816,983	133,590,903	233,629,163	720,300,720
Depreciation and amortization (Note 17)	66,071,916	15,932,175	2,911,475	7,526,567	13,757,028	40,005,558	146,204,719
At December 31	209,411,344	77,015,049	70,752,844	88,343,550	147,347,931	273,634,721	866,505,439
Net Book Value	₱7,310,694,507	₱43,747,277	₱16,896,049	₱6,264,966	₱32,285,027	₱70,333,084	₱7,480,220,910

As at March 31, 2026 and December 31, 2025, the commitments for property and equipment amounted to ₱312.99 million and ₱97.23 million, respectively.

The Group's hotel assets consist of land, building, and ongoing condominium properties. The carrying value of land amounted to ₱340.75 million as at March 31, 2026 and December 31, 2025, while the carrying value of building amounted to ₱3,329.67 million and ₱3,154.35 million as at March 31, 2026 and December 31, 2025, respectively. Ongoing condominium properties amounted to ₱4,119.10 million and ₱3,815.60 million as at March 31, 2026 and December 31, 2025, respectively.

The Group's transportation vehicles with a carrying value of ₱14.36 million and ₱16.02 million as at March 31, 2026 and December 31, 2025, respectively, were constituted as collateral under chattel mortgage to secure the Group's vehicle financing arrangement with various financial institutions (see Note 13).

As at March 31, 2026 and December 31, 2025, the carrying value of property and equipment used to secure the Group's bank loans amounted to ₱7,778.02 million and ₱7,299.50 million, respectively (see Note 13).

10. Investment Properties

The movements in this account are as follows:

	2026			
	Commercial Projects		**Construction in**	
	Land	**Building**	**Progress**	**Total**
Cost				
At January 1	**₱1,792,850,873**	**₱4,141,131,853**	**₱2,251,614,733**	**₱8,185,597,459**
Additions	**–**	**1,972,201**	**170,628,130**	**172,600,331**
At March 31	**1,792,850,873**	**4,143,104,054**	**2,422,242,863**	**8,358,197,790**
Accumulated Depreciation				
At January 1	**–**	**1,632,760,055**	**–**	**1,632,760,055**
Depreciation and amortization (Note 17)	**–**	**17,290,231**	**–**	**17,290,231**
At March 31	**–**	**1,650,050,286**	**–**	**1,650,050,286**
Net Book Value	**₱1,792,850,873**	**₱2,493,053,768**	**₱2,422,242,863**	**₱6,708,147,504**

	2025			
	Commercial Projects		Construction in	
	Land	Building	Progress	Total
Cost				
At January 1	₱3,145,074,896	₱9,584,806,501	₱1,928,705,922	₱14,658,587,319
Additions	–	349,845,632	322,908,811	672,754,443
Transfers (Note 7)	(1,352,224,023)	(5,793,520,280)	–	(7,145,744,303)
At December 31	1,792,850,873	4,141,131,853	2,251,614,733	8,185,597,459
Accumulated Depreciation				
At January 1	–	1,799,459,272	–	1,799,459,272
Depreciation and amortization (Note 17)	–	109,455,130	–	109,455,130
Transfers (Note 7)	–	(276,154,347)	–	(276,154,347)
At December 31	–	1,632,760,055	–	1,632,760,055
Net Book Value	₱1,792,850,873	₱2,508,371,798	₱2,251,614,733	₱6,552,837,404

For the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, rental income from these investment properties amounted to ₱101.00 million, ₱104.06 million, ₱445.03 million and ₱1,009.48 million, respectively (see Note 23). Direct costs charged to operations for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024 amounted to ₱63.30 million, ₱120.84 million, ₱279.91 million, and ₱452.72 million, respectively (see Note 17). Selling and administrative expenses, exclusive of direct costs, related to these investment properties amounted to ₱136.02 million, ₱95.96 million, ₱389.44 million, and ₱552.41 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

As at March 31, 2026 and December 31, 2025, the capital commitments for investment properties amounted to ₱239.37 million and ₱102.03 million, respectively.

The aggregate fair value of investment properties amounted to ₱17,433.78 million as at March 31, 2026 which were determined based on the most recent valuations performed by independent qualified appraisers and management appraisal using current management assumptions.

The fair values of income-generating investment properties were determined using the income approach through discounted cash flow (DCF) analysis. Under this approach, the value of the asset is estimated based on the present value of expected future income and cash flows, taking into account the applicable discount rate and capitalization rate. The valuation is classified under Level 3 of the fair value hierarchy, as it relies on significant unobservable inputs. Key inputs used in the valuation include the rental escalation rate, discount rate, and capitalization rate. Changes in these inputs would have a significant impact on the fair value. An increase (decrease) in the discount rate and capitalization rate would generally result in a decrease (increase) in fair value. Conversely, an increase (decrease) in the rental escalation rate would result in a corresponding increase (decrease) in fair value.

For non-income generating investment properties, fair values were determined using the market approach. Under this approach, the value of the properties is based on recent sales transactions and listings of comparable properties within the same or similar locations, adjusted for differences in key attributes such as size, location, accessibility, and physical condition. Observable inputs, such as price per square meter derived from market data, are primarily used in the valuation. However, certain adjustments applied to reflect property-specific characteristics involve management judgment. Accordingly, the valuation is generally classified under Level 2 of the fair value hierarchy.

For investment properties under construction, the fair value is approximated based on costs incurred to date, as these are considered to represent the best available estimate of fair value at the reporting date.

As at March 31, 2026 and December 31, 2025, the carrying value of investment properties used to secure the Group's bank loans amounted to ₱4,930.49 million and ₱4,869.34 million, respectively (see Note 13).

11. Other Noncurrent Assets

This account consists of:

	2026	2025
Advances to contractors and suppliers (Note 8)	**₱203,096,966**	₱206,018,649
Utility and security deposits	**113,342,222**	116,140,511
Prepaid expenses (Note 8)	**61,177,588**	68,947,936
Construction bond deposits	**13,262,712**	13,262,712
Software costs	**2,200,976**	2,436,447
Input VAT (Note 8)	**883,256**	592,180
Deposits on real estate properties - net	**–**	40,000,000
Others	**75,000**	75,000
	₱394,038,720	₱447,473,435

Utility and security deposits pertain to the initial set-up of services rendered by public utility companies and other various long-term deposits necessary for the construction and development of real estate projects.

Construction bond deposits pertain to the bond for the Group's project developments.

Software costs pertains to the capitalizable costs incurred in the design and implementation of a system. Amortization of software costs for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024 amounted to ₱0.24 million, ₱0.18 million, ₱0.82 million, and ₱0.64 million, respectively (see Note 17).

Deposits on real estate properties represent the Group's advance payments to real estate property owners for future property acquisitions and is expected to be recovered upon consummation of the purchase transactions.

12. **Accounts and Other Payables**

This account consists of:

	2026	2025
Trade payables:		
Payable to contractors and suppliers	**₱7,604,501,162**	₱2,344,708,008
Retention payable	**1,309,884,906**	1,274,336,601
Other taxes payable	**2,445,649,660**	14,655,040
Accrued expenses	**614,367,708**	666,775,149
Rental deposit	**80,342,347**	80,981,286
Liabilities for purchased land	**30,420,000**	30,420,000
Others	**59,606,802**	59,489,424
	12,144,772,585	4,471,365,508
Less noncurrent portion of:		
Retention payable	**982,057,540**	945,015,917
Accrued expenses	**246,659,056**	240,765,901
Liabilities for purchased land	**30,420,000**	30,420,000
Rental deposit	**25,589,874**	28,994,219
	1,284,726,470	1,245,196,037
	₱10,860,046,115	₱3,226,169,471

Payable to contractors and suppliers are attributable to construction costs incurred but not yet paid as of reporting date. These are noninterest-bearing and are normally settled within 30 to 120 days.

Retention payable pertains to the portion of contractors' progress billings which are withheld and will be released after the satisfactory completion of the contractors' work. The retention payable serves as a security from the contractor should there be defects in the project. These are noninterest-bearing and are normally settled upon completion of the relevant contract arrangements.

Other taxes payable consists of output VAT and taxes withheld by the Group from employees, contractors and suppliers which are payable within one year.

Accrued expenses consist of interest expense, commission and other expenses. Accrued interest expense pertains to the incurred but unpaid interest which is normally settled within one to three months. Accrued commission pertains to the recognized liability to the marketing agents upon obtaining the contracts with the buyers, as required by PFRS 15. The related assets are recorded in prepaid expenses (see Notes 8 and 11). Other accrued expenses pertains to accruals related to the unbilled goods and services already delivered or rendered to the Group.

Rental deposit consists of security deposits on lease and utility deposit payable.

Liabilities for purchased land pertain to outstanding payables for land acquisitions. These liabilities are noninterest-bearing.

Others consist of premium payable to SSS, Philhealth and Pag-ibig and other non-trade payables. These are normally settled within one year.

13. **Loans Payable**

This account consists of:

	Terms	**2026**	2025
Short-term bank loans	Within 1 year	**₱6,200,000,000**	₱6,400,000,000
Long-term loans:			
Bank loans	3 to 10 years	**16,232,833,652**	21,354,948,248
Receivable financing	1 to 7 years	**427,668,215**	601,400,222
Notes payable	5 years	**10,471,040**	11,149,266
		22,870,972,907	28,367,497,736
Less noncurrent portion		**11,078,599,055**	13,292,961,078
		₱11,792,373,852	₱15,074,536,658

Short-term Bank Loans
Short-term bank loans represent various promissory notes from local banks with annual interest rates ranging from 5.75% to 6.70% as at March 31, 2026 and December 31, 2025. These loans are payable within one year from date of issuance.

Short-term bank loans amounting to ₱3,000.00 million as at March 31, 2026 and December 31, 2025, are secured by two logistics buildings and the land on which they were constructed, located in Manila. These properties are recorded under investment properties with an aggregate carrying value of ₱628.13 million and ₱629.36 million as at March 31, 2026 and December 31, 2025, respectively (see Note 10).

Short-term bank loans amounting to ₱1,500.00 million as at March 31, 2026 and December 31, 2025, is secured by the Group's on-going project with carrying value of ₱2,500.45 million and ₱2,456.54 million as at March 31, 2026 and December 31, 2025, respectively.

Long-term Loans
Long-term bank loans
In November 2025, PPDC secured a seven-year loan facility amounting to ₱2,700.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱500.00 million with interest rate of 6.25% per annum as at March 31, 2026 and December 31, 2025.

In September 2025, PPDC secured a seven-year loan facility amounting to ₱1,500.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱1,500.00 million with interest rates ranging from 7.33% to 7.39% per annum as at March 31, 2026 and December 31, 2025.

In December 2024, ARCI secured an eight-year loan facility amounting to ₱6,500.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱1,500.00 million with interest rate of 7.47% per annum as at March 31, 2026 and December 31, 2025.

In December 2024, GRIC secured a four-year loan facility amounting to ₱655.00 million. The facility is available in single drawdown. The outstanding balance of loan under this facility amounted to ₱563.30 million with interest rate of 7.67% per annum as at March 31, 2026 and December 31, 2025.

In December 2024, GRIC secured a five-year loan facility amounting to ₱1,715.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱1,245.00 million and ₱1,070.00 million as at March 31, 2026 and December 31, 2025, respectively, with interest rates ranging from 7.13% to 7.68% per annum.

In December 2024, GRIC secured a seven-year loan facility amounting to ₱3,400.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱600.00 million with interest rate of 7.39% per annum as at March 31, 2026 and December 31, 2025.

In December 2023, APC secured a seven-year loan facility amounting to ₱2,500.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱2,500.00 million with interest rates ranging from 7.88% to 8.71% per annum as at March 31, 2026 and December 31, 2025.

In September 2023, PPDC secured a five-year loan facility amounting to ₱800.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to nil and ₱750.00 million as at March 31, 2026 and December 31, 2025, respectively, with interest rates ranging from 7.84% to 8.24% per annum. This loan was pre-terminated and fully settled in March 2026 (see Note 7).

In September 2023, APC restructured its 2018 loan facility with a bank, extending the maturity date until September 2029. As part of the restructuring, the facility amount increased by ₱1,600.00 million, resulting in a total facility amount of ₱6,265.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱3,447.40 million and ₱3,047.40 million as at March 31, 2026 and December 31, 2025, respectively, with interest rates ranging from 7.11% to 8.03% per annum.

In May 2022, PPDC secured a ten-year loan facility amounting to ₱2,500.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to nil and ₱2,125.00 million with interest rates ranging from 7.47% to 8.64% and 7.16% to 8.29% per annum as at March 31, 2026 and December 31, 2025, respectively. This loan was pre-terminated and fully settled in March 2026 (see Note 7).

In May 2022, PPDC restructured its 2017 loan facility amounting to ₱3,700.00 million, extending the maturity date until December 21, 2026. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱1,800.00 million with interest rates ranging from 7.01% to 8.07% per annum as at March 31, 2026 and December 31, 2025.

In February 2021, PPDC secured a five-year loan facility amounting to ₱1,100.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱600.00 million with interest rate of 4.86% per annum as at March 31, 2026 and December 31, 2025.

In December 2020, PPDC secured a five-year loan facility amounting to ₱1,100.00 million. The facility is available in multiple drawdowns. The outstanding balance of loan under this facility amounted to ₱770.00 million with interest rate of 5.00% per annum as at March 31, 2026 and December 31, 2025.

In December 2020, PPDC secured a five-year loan facility amounting to ₱1,500.00 million. The facility is available in single drawdown. The outstanding balance of loan under this facility amounted to ₱1,331.25 million with interest rates of 6.40% and 5.50% per annum as at March 31, 2026 and December 31, 2025, respectively.

In December 2015, PPDC secured a ten-year loan facility from a local bank amounting to ₱4,100.00 million. The facility is available in multiple drawdowns with interest rates of 5.50% per annum for the first five years and 5.75% per annum thereafter. The outstanding balance of loan under this facility amounted to nil and ₱2,870.00 million as at March 31, 2026 and December 31, 2025, respectively. This loan was pre-terminated and fully settled in March 2026 (see Note 7).

The rollforward analyses of unamortized debt discount and issuance costs on long-term bank loans as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Balance at January 1	**₱172,001,753**	₱160,997,658
Additions	**8,005,350**	60,251,444
Amortization	**(55,890,753)**	(49,247,349)
Balance at March 31 / December 31	**₱124,116,350**	₱172,001,753

These term loans are secured with various properties consisting of land, buildings, and commercial units which are recorded under real estate for development and sale, noncurrent asset held for sale, property and equipment, and investment properties with an aggregate carrying value of ₱20,554.52 million and ₱25,776.04 million as at March 31, 2026 and December 31, 2025, respectively (see Notes 6, 9 and 10).

Receivable financing
The loans payable on receivable financing as discussed in Note 5 arises from installment contracts receivable sold with recourse by the Group to various local banks with a total outstanding balance of ₱427.67 million and ₱601.40 million as at March 31, 2026 and December 31, 2025 respectively. These loans bear fixed interest rates ranging from 6.75% to 7.35% as at March 31, 2026 and December 31, 2025 payable on equal monthly installments over the term of the contract.

Notes payable
Notes payable represents the car loans availed by the Group. Annual interest rates ranged from 4.41% to 4.72% as at March 31, 2026 and December 31, 2025. The Group's transportation vehicles with a carrying value of ₱14.36 million and ₱16.02 million as at March 31, 2026 and December 31, 2025, respectively, are held as collateral to secure the Group's notes payable (see Note 9).

Borrowing costs
Total borrowing costs arising from loans payable amounted to ₱526.95 million, ₱442.29 million, ₱1,908.06 million and ₱1,646.29 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

Total borrowing costs capitalized under real estate for development and sale, property and equipment and investment properties amounted to ₱251.06 million, ₱200.77 million, ₱1,095.28 million and ₱656.17 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively. Borrowing costs recognized in profit or loss under "Finance costs" in the consolidated statements of comprehensive income amounted to ₱275.89 million, ₱200.77 million, ₱812.78 million, and ₱990.12 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

The average capitalization rate used to determine the borrowings eligible for capitalization ranges from 4.86% to 8.71% and 4.25% to 9.47% in 2026 and 2025, respectively.

14. Customers' Advances and Deposits

This account consists of:

	2026	2025
Deposits from real estate buyers	**₱1,801,008,959**	₱2,387,766,887
Deposits from lessees	**91,626,196**	104,959,471
	1,892,635,155	2,492,726,358
Less noncurrent portion of deposits from lessees	**2,087,096**	8,890,443
	₱1,890,548,059	₱2,483,835,915

Deposits from real estate buyers
Deposits from real estate buyers includes excess of collections over the total recognized installment contracts receivable based on POC. These also includes collections from customers for which revenue recognition has not yet commenced. These deposits will be recognized as revenue in the consolidated statements of comprehensive income in accordance with the Group's revenue recognition policy.

Deposits from lessees
The Group requires some tenants to pay leasehold rights pertaining to the right to use the leased unit. Deposits from lessees also include advance rental collections that will be applied to rentals depending on the terms of the contract. These payments are recognized in the consolidated statements of comprehensive income as rental income on a straight-line basis over the lease term.

The rental income on leasehold rights amounted to ₱14.39 million, ₱15.22 million, ₱59.97 million and ₱62.18 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

15. Related Party Transactions

The Parent Company, in its regular conduct of business, has entered into transactions with its subsidiaries principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing and administrative service agreements. Outstanding balances between companies within the Group are unsecured, interest-free and settlement occurs in cash. Related party transactions (RPT) and balances were eliminated in the consolidated financial statements.

Enterprises and individuals that directly or indirectly, through one or more intermediaries, control or are controlled by or under common control, with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Parent Company and close members of the family of these individuals, and companies associated with these individuals, also constitute related parties.

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

The Parent Company has an approval requirement such that material RPT shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements.

Key management compensation
The key management personnel of the Group include directors, executives and senior management. Compensation and benefits of key management personnel for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024 amounted to ₱19.90 million, ₱17.90 million, ₱90.72 million and ₱82.10 million, respectively.

16. Interest and Other Income - Net

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Interest from:				
Amortization of discount on installment contracts receivable (Note 5)	**₱17,529,083**	₱9,482,995	₱36,850,348	₱24,126,676
Note receivable (Note 5)	**7,482,167**	9,010,663	33,787,740	39,607,836
Cash and cash equivalents (Note 4)	**516,118**	371,385	1,530,643	1,602,127
Gain on sale of asset (Note 7)	**6,197,214,706**	–	–	–
Other income	**25,454,944**	57,642,364	222,478,517	425,108,013
	₱6,248,197,018	₱76,507,407	₱294,647,248	₱490,444,652

Other income includes income from forfeitures from cancelled sales and leases, as well as penalties and other surcharges billed against defaulted installment contracts receivable, among others. Income from forfeitures mainly arises from cancellation of reservation fees, amortization payments, deposits and advance rentals net of recovered costs and the balances of buyers and tenants. Other income also includes administrative fees and expenses charged on account of the agents, service fees and other items considered as not material.

Other income from cancelled sales and lease contracts amounted to ₱18.54 million, ₱17.65 million, ₱68.88 million, and ₱125.12 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

17. Costs and Expenses

Cost includes acquisition cost of land, construction costs and capitalized borrowing costs. Cost of real estate sales recognized for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024 amounted to ₱1,488.61 million, ₱883.29 million, ₱2,404.86 million and ₱2,224.45 million, respectively.

Cost of hotel operation

	Three-month periods ended March 31		Years ended December 31	
	2026	**2025**	2025	2024
Food and beverage	**₱19,808,825**	₱17,846,943	₱71,595,725	₱74,891,467
Depreciation and amortization (Note 9)	**14,922,995**	14,555,309	58,765,361	57,647,853
Salaries, wages, and employee benefits	**16,219,906**	12,632,997	52,088,107	53,750,890
Contracted services	**9,592,899**	6,763,485	29,960,233	24,215,052
Supplies expense	**4,248,951**	–	19,057,296	12,805,987
Others	**11,396,646**	13,274,724	35,202,900	31,651,273
	₱76,190,222	₱65,073,458	₱266,669,622	₱254,962,522

Other costs of hotel operation includes cost of laundry, music and entertainment, uniforms, complimentary, and promotional expenses.

Selling and administrative expenses

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Salaries, wages and employee benefits (Notes 15 and 18)	**₱101,879,243**	₱87,050,698	₱378,010,718	₱342,196,939
Taxes and licenses	**356,209,563**	47,413,232	194,186,405	180,759,261
Sales and marketing	**90,852,571**	83,183,314	240,918,717	351,583,035
Depreciation and amortization (Notes 9, 10 and 11)	**57,354,311**	96,604,841	197,718,973	382,667,027
Utilities	**46,422,304**	40,120,581	131,997,024	104,153,426
Outside services	**28,079,429**	22,953,627	112,252,232	117,695,604
Membership dues	**21,762,734**	23,620,662	76,599,274	60,376,991
Professional fees	**16,319,062**	15,074,997	58,721,400	52,483,997
Repairs and maintenance	**8,019,630**	9,091,363	32,160,444	34,309,880
Supplies	**2,338,660**	1,646,952	21,325,445	16,287,771
Insurance	**4,319,624**	3,323,223	17,463,461	17,999,034
Representation and entertainment	**1,957,381**	1,855,373	7,597,876	7,502,235
Rental (Note 23)	**881,838**	1,091,449	7,386,884	4,347,004
Others	**72,997,713**	6,333,629	37,879,112	43,006,076
	₱809,394,063	₱439,363,941	₱1,514,217,965	₱1,715,368,280

Other selling and administrative expenses include IT system expenses, recruitment fees, provision for impairment, bank charges, and other individually immaterial expenses.

18. Pension Plan

The Group has an unfunded, noncontributory defined benefit plan covering all of its regular employees. The benefits are based on the projected retirement benefit of 22.5 days pay per year of service in accordance with RA No. 7641, *Retirement Pay Law*. An independent actuary, using the projected unit credit method, conducts an actuarial valuation of the retirement benefit obligation.

The components of the Group's pension costs (included in "Salaries, wages and employee benefits" under "Selling and administrative expenses" and in "Finance costs") are as follows:

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Current service cost	**₱2,755,308**	₱2,521,797	₱11,021,233	₱10,087,190
Interest cost on benefit obligation	**1,817,938**	1,523,855	6,095,420	5,213,549
	₱4,573,246	₱4,045,652	₱17,116,653	₱15,300,739

Movements in the present value of defined benefit obligations (DBO) as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Balance at beginning of period	**₱113,303,261**	₱100,088,997
Net benefit cost in profit or loss		
Current service cost	**2,755,308**	11,021,233
Interest cost	**1,817,938**	6,095,420
	4,573,246	17,116,653
Remeasurements in OCI		
Actuarial changes arising from experience adjustments	–	1,610,829
Actuarial changes arising from changes in financial assumptions	–	(3,291,552)
	–	(1,680,723)
Benefits paid	–	(2,221,666)
Balance at end of period	**₱117,876,507**	₱113,303,261

The principal assumptions used to determine pension benefits of the Group are as follows:

Discount rate	**6.38% to 6.42%**
Salary increase rate	**5.00%**

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The average duration of the DBO as of the reporting date is 6.20 to 8.90 years in 2026 and 2025.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the reporting date, assuming all other assumptions are held constant. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (decrease) in DBO	
Discount rates	+150 basis points	**(₱13,216,903)**
	-150 basis points	**16,434,508**
Future salary increases	+150 basis points	**16,420,447**
	-150 basis points	**(13,551,331)**

The maturity analysis of the undiscounted benefit payments follows:

Less than 1 year	**₱6,450,507**
More than 1 year to 2 years	**3,271,768**
More than 2 years to 4 years	**19,355,596**
More than 4 years	**108,004,492**

19. **Income Tax**

Provision for income tax consist of:

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Current:				
RCIT	**₱905,883,804**	₱81,442,661	₱104,294,567	₱239,181,125
MCIT	**239,526**	7,078	5,800,626	563,918
Final	**101,896**	73,164	302,528	314,035
	906,225,226	81,522,903	110,397,721	240,059,078
Deferred	**163,539,556**	(24,969,971)	64,863,768	(10,929,952)
	₱1,069,764,782	₱56,552,932	₱175,261,489	₱229,129,126

Details of NOLCO that can be claimed as deduction from future taxable profit and MCIT that can be claimed as tax credits against income tax liabilities are as follows:

NOLCO

Year Incurred	Beginning	Used/Expired	Balance	Expiry Year
2021	₱ 53,651,016	₱–	₱53,651,016	2026
2023	168,531,644	–	168,531,644	2026
2024	149,180,168	–	149,180,168	2027
2025	234,867,460	–	234,867,460	2028
2026	–	–	2,763,598	2029
	₱606,230,288	₱–	₱608,993,886	

MCIT

Year Incurred	Beginning	Used/Expired	Balance	Expiry Year
2023	₱50,076	₱–	₱50,076	2026
2024	563,918	–	563,918	2027
2025	9,615,309	–	9,615,309	2028
2026	–	–	239,526	2029
	₱10,229,303	₱–	₱10,468,829	

Net deferred tax assets of the Group as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate and leasing transactions	**₱129,884,501**	₱282,980,621
Commissions expense per books in excess of actual commissions paid	**87,766,582**	87,766,582
Unamortized discount on installment contracts receivable	**66,560,528**	41,356,880
NOLCO	**52,506,296**	140,245,597
Pension liabilities recognized in profit or loss	**51,625,030**	50,481,719
Lease liabilities	**15,449,316**	18,213,907
MCIT	**6,405,782**	6,405,782
Allowance on impairment losses	**4,300,838**	4,300,838
	414,498,872	631,751,926
Deferred tax liabilities on:		
Difference between tax and book basis of accounting for real estate and leasing transactions	**341,520,350**	258,652,899
Unamortized discount on loans payable	**31,029,088**	20,531,264
Pension liabilities recognized in OCI	**22,155,904**	22,155,904
Right-of-use assets	**15,082,924**	17,583,271
	409,788,265	318,923,338
	₱4,710,607	₱312,828,588

Net deferred tax liabilities of the Group as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Deferred tax assets on:		
Unamortized discount on installment contracts receivable	**₱–**	₱5,592,886
	–	5,592,886
Deferred tax liabilities on:		
Difference between tax and book basis of accounting for real estate and leasing transactions	**–**	129,324,574
Unamortized discount on loans payable	**–**	20,846,737
	–	150,171,311
	₱–	₱144,578,425

The Group has deductible temporary differences for which deferred tax assets have not been recognized since management assessed that no sufficient taxable income is available in the future to allow all or part of deferred tax assets on certain temporary differences to be realized and/or utilized.

Deferred tax recognized directly to equity amounted to ₱22.16 million as at March 31, 2026 and December 31, 2025.

NOLCO and MCIT for which no deferred tax assets were recognized amounted to ₱399.84 million and ₱45.48 million as at March 31, 2026 and December 31, 2025, respectively. The Group's unrecognized deferred tax assets amounted to ₱96.90 million and ₱10.87 million as at March 31, 2026 and December 31, 2025, respectively.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Statutory income tax rate	**25.00%**	25.00%	25.00%	25.00%
Tax effect of:				
Changes in unrecognized deferred tax assets	**1.90**	0.16	9.53	1.15
Nondeductible expenses	**–**	0.56	0.46	0.18
Interest income subject to final tax	**–**	(0.01)	(0.02)	(0.01)
Nontaxable income	**–**	–	–	(4.27)
Others	**(4.08)**	(0.28)	0.72	4.08
Effective income tax rate	**22.82%**	25.43%	35.69%	26.13%

20. **Equity**

<u>Capital Stock</u>
The details of the Parent Company's capital stock which consists of common and preferred shares follow:

Common shares
Details of the Parent Company's common shares as at December 31, 2025 and 2024 are as follows:

Authorized shares	3,500,000,000
Par value per share	₱1.00
Issued and outstanding shares	1,040,001,000

On November 8, 2013, the Philippine SEC approved the increase in the Parent Company's capital stock by increasing common stock from ₱2.30 billion divided into 2.30 billion shares with par value of ₱1.00 each to ₱3.50 billion divided into 3.50 billion shares with par value of ₱1.00 each.

On June 15, 2012, the SEC approved the increase in the Parent Company's capital stock by increasing common stock from ₱1.00 billion divided into 1.00 billion shares with par value of ₱1.00 each to ₱2.30 billion divided into 2.30 billion shares with par value of ₱1.00 each.

On August 8, 2007, the Parent Company launched its Initial Public Offering where a total of 86,667,000 common shares were offered at an offering price of ₱8.93 per share. The registration statement was approved on July 30, 2007.

The Parent Company has 92 existing shareholders as at March 31, 2026 and December 31, 2025.

Preferred shares
The preferred shares are voting, nonparticipating, nonredeemable and are entitled to 8% cumulative dividends. Details of the Parent Company's preferred shares as at December 31, 2025 and 2024 are as follows:

Authorized shares	1,300,000,000
Par value per share	₱1.00
Issued and outstanding shares	346,667,000

On September 15, 2011, the Parent Company conducted stock rights offering of up to ₱346.67 million on the 8%, voting, preferred shares on a pre-emptive basis to holders of common shares of the Parent Company as of September 15, 2011 at an offer price of ₱1.00 per preferred share. Subsequently, on January 20, 2012, the SEC approved the increase in authorized capital stock relating to the creation of preferred shares.

Cash Dividends
On May 14, 2026, the Parent Company's BOD declared cash dividends as follows:

- For preferred shares - 8% dividends per issued and outstanding preferred share; and
- For common shares - ₱0.04 per issued and outstanding common share.

The record date is June 5, 2026 and dividends amounting to ₱69.33 million will be paid on July 3, 2026.

On March 25, 2025, the Parent Company's BOD declared cash dividends as follows:

- For preferred shares - 8% dividends per issued and outstanding preferred share; and
- For common shares - ₱0.04 per issued and outstanding common share.

The record date is June 6, 2025 and dividends amounting to ₱69.33 million were paid on July 3, 2025.

On March 25, 2024, the Parent Company's BOD declared cash dividends as follows:

- For preferred shares - 8% dividends per issued and outstanding preferred share; and
- For common shares - ₱0.04 per issued and outstanding common share.

The record date is June 6, 2024 and dividends amounting to ₱69.33 million were paid on July 3, 2024.

Retained Earnings
The Parent Company's retained earnings available for dividend distribution amounted to ₱1.17 billion and ₱1.25 billion as at March 31, 2026 and December 31, 2025, respectively.

Undistributed and unappropriated earnings of subsidiaries totaling ₱3,528.77 million and ₱13.18 million as at March 31, 2026 and December 31, 2025, respectively, are not available for dividend distribution until such time that these are declared by the respective subsidiaries.

In 2025, following the merger of subsidiaries under common control, one of the subsidiaries recognized additional paid-in capital (APIC) amounting to ₱785.42 million, representing the excess of the net assets acquired over the par value of shares issued. For consolidated financial reporting, this amount is reflected within retained earnings. However, such amount represents a non-distributable component of equity and is not available for dividend declaration.

The composition of retained earnings as at March 31 and December 31, is presented as follows:

	2026	2025
Appropriated	**₱5,507,100,000**	₱5,507,100,000
Unappropriated	**5,404,070,983**	1,786,522,059
	₱10,911,170,983	₱7,293,622,059

Appropriated retained earnings
As at March 31, 2026 and December 31, 2025, retained earnings amounting to ₱5.51 billion were appropriated for project development and working capital support.

The following are the balances and movements in appropriated retained earnings as approved by the BOD:

- On December 19, 2025, appropriated retained earnings amounting to ₱5.50 million for expansion of MPMC's operation. This appropriation is to be released from appropriated retained earnings on or before December 31, 2028.

- On December 19, 2025, appropriated retained earnings for the project development of Cosmo Suites, Cornell Parksuites and One Financial Center amounting to ₱300.00 million, ₱200.00 million and ₱300.00 million, respectively, were released from appropriations.

- On November 13, 2025, retained earnings amounting to ₱4,500.00 million were appropriated for the Group's land banking and project construction activities including working capital requirements. These appropriations are to be released from appropriated retained earnings on or before December 31, 2032.

- On May 15, 2025, appropriated retained earnings for the project development of One Legacy, Copeton Baysuites and The Centrium amounting to ₱320.00 million, ₱1,900.00 million and ₱750.00 million, respectively, were released from appropriations.
- On May 13, 2025, appropriated retained earnings for the project development of Admiral Hotel and Panorama Manila amounting to ₱100.00 million and ₱850.00 million, respectively, were released from appropriations.

- On December 17, 2024, retained earnings amounting to ₱100.00 million were appropriated for the project development of One Financial Center. This appropriation is expected to be released on or before December 31, 2028. Further, the release of retained earnings appropriated in 2019, 2022, and 2023 amounting to ₱400.00 million for the project development of One Financial Center was extended on or before December 31, 2028.

- On March 25, 2024, appropriated retained earnings for the project development of Copeton Baysuites, Cornell Parksuites, 202 Peaklane and 8 Alonzo amounting to ₱400.00 million, ₱200.00 million, ₱300.00 million and ₱50.00 million, respectively, were released from appropriations.

- On December 19, 2023, retained earnings amounting to ₱50.00 million, ₱150.00 million and ₱0.90 million were appropriated for the project development of One Legacy Grandsuites and

One Financial Center and for the expansion of operation of MPMC, respectively. These appropriations are expected to be released on or before December 31, 2025 and 2026. Additionally, the release of the 2016 retained earnings amounting to ₱750.00 million for operations of The Centrium was extended on or before December 31, 2025.

- Appropriated retained earnings for the expansion of MPMHC operation amounting to ₱1.50 million was released from appropriation in 2023.

- On December 16, 2022, retained earnings amounting to ₱1,000.00 million, ₱200.00 million, ₱400.00 million, ₱100.00 million, ₱50.00 million and ₱1.00 million were appropriated for the project investment and working capital support of Admiral Hotel and the project development of the Panorama Manila, Copeton Baysuites, One Financial Center and One Legacy projects and for the expansion of operation of MPMHC, respectively. These appropriations are expected to be released on or before December 31, 2025, 2026 and 2027. Further, retained earnings appropriated in 2017, 2018, and 2019 amounting to ₱1,500.00 million, ₱100.00 million and ₱50.00 million for Copeton Baysuites, Admiral Hotel and 8 Alonzo, respectively, were extended for release on or before December 31, 2025.

- On December 20, 2021, of retained earnings amounting to ₱400.00 million and ₱150.00 million were appropriated for the project development of Copeton Baysuites and One Legacy, respectively. These appropriations are expected to be released on or before December 31, 2024 and December 31, 2026, respectively.

- In 2021, the Group acquired MPMHC with appropriated retained earnings of ₱1.20 million as at December 31, 2021. These appropriated retained earnings have been set aside for future expansion of operations within the next five years.

- On November 26, 2020, ₱100.00 million out of ₱400.00 million appropriated retained earnings for Cosmo Suites was released and the remaining ₱300.00 million was extended on or before December 31, 2026.

- On December 10, 2020, ₱300.00 million and ₱100.00 million appropriated retained earnings for 202 Peaklane and 8 Alonzo, respectively were extended for release on or before December 31, 2024.

- On December 10, 2019, retained earnings amounting to ₱650.00 million, ₱300.00 million, ₱200.00 million, ₱150.00 million and ₱70.00 million were appropriated for the project development of the Panorama Manila, Copeton Baysuites, Cornell Parksuites, One Financial Center and One Legacy projects, respectively. These appropriations are expected to be released on December 31, 2023, 2025 and 2026. Extension of release of the 2018, 2016 and 2015 retained earnings amounting to ₱1,200.00 million, ₱750.00 million and ₱450.00 million for Copeton Baysuites and The Centrium, respectively, on or before December 31, 2023.

- In 2018, retained earnings amounting to ₱100.00 million and ₱50.00 million were appropriated for the project development of hotel projects and 8 Alonzo project, respectively. These appropriations are expected to be released gradually until 2023.

- In 2017, retained earnings amounting to ₱1,200.00 million and ₱400.00 million were appropriated for the project development of Copeton Baysuites and Cosmo Suites projects, respectively. These appropriations are expected to be released gradually until 2023.

- In 2016, retained earnings amounting to ₱750.00 million and ₱250.00 million were appropriated for the project development of The Centrium and 202 Peaklane, respectively. These appropriations are expected to be released gradually until 2020 and 2021, respectively.

- In 2015, retained earnings amounting to ₱50.00 million was appropriated for 202 Peaklane project. This appropriation is expected to be released gradually until 2020.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The following table shows the components of what the Group considers its capital as at March 31, 2026 and December 31, 2025:

	2026	2025
Capital stock:		
Common stock	**₱1,040,001,000**	₱1,040,001,000
Preferred stock	**346,667,000**	346,667,000
Additional paid-in capital	**632,687,284**	632,687,284
Retained earnings	**10,911,170,983**	7,293,622,059
	₱12,930,526,267	₱9,312,977,343

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes accounts and other payables, interest-bearing loans and borrowings, and customers' advances and deposits, less cash and cash equivalents. Capital pertains to equity attributable to the equity holders of the parent, excluding OCI.

	2026	2025
Accounts and other payables	**₱12,144,772,585**	₱4,471,365,508
Lease liabilities	**61,797,262**	72,855,629
Loans payable	**22,870,972,907**	28,367,497,736
Customers' advances and deposits	**1,892,635,155**	2,492,726,358
	36,970,177,909	35,404,445,231
Less cash and cash equivalents	**(1,944,959,790)**	(1,377,376,672)
Net debt	**35,025,218,119**	34,027,068,559
Capital (excluding OCI)	**12,930,526,267**	9,312,977,343
Total capital and net debt	**₱47,955,744,386**	₱43,340,045,902
Gearing ratio	**73%**	79%

No changes were made in the Group's objectives, policies or processes during the three-month period ended March 31, 2026 and for the year ended December 31, 2025.

21. **Financial Instruments**

Fair Value Information
The carrying values of the Group's financial assets (i.e., cash and cash equivalents, due from condominium associations, rental receivable, receivable from sale of asset, other receivables, and deposits) and financial liabilities (i.e., accounts and other payables, and loans payables) approximate their fair values either due to their short-term maturities except for the following financial instruments as at March 31, 2026 and December 31, 2025:

	2026		2025	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets:				
Installment contracts receivable	**₱3,579,002,452**	**₱3,542,641,219**	₱4,355,977,719	₱4,032,238,517
Note receivable	**354,037,410**	**370,737,920**	374,108,371	392,754,447
	₱3,933,039,862	**₱3,913,379,139**	₱4,730,086,090	₱4,424,992,964
Financial Liability:				
Loans payable	**₱22,860,501,867**	**₱23,578,359,337**	₱28,356,348,470	₱29,579,494,688

Financial instruments
The fair values of installment contracts receivable, note receivable and loans payable, which are based on the level 3 valuation technique, are computed using discounted value of future cash flows using the prevailing interest rates for similar types of instruments as of the reporting date based on the remaining terms to maturity. Installment contracts receivable used discount rates ranging from 4.70% to 6.84% and 4.70% to 5.92% as at March 31, 2026 and December 31, 2025, respectively. Note receivable used discount rates ranging from 4.92% to 5.76% and 4.85% to 5.78% as at March 31, 2026 and December 31, 2025, respectively. Loans payable used discount rates ranging from 4.70% to 8.03% and 4.69% to 7.35% as at March 31, 2026 and December 31, 2025, respectively. By using the discounted value of future cash flows, a higher interest rate would yield a lower fair value.

Fair Value Hierarchy
The Group has no financial instruments carried at fair value as at March 31, 2026 and December 31, 2025.

There were no assets or liabilities whose fair value is disclosed using Level 1 and Level 2 valuation techniques.

There was no change in the valuation techniques used by the Group in determining the fair market value of the assets and liabilities.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Objectives and Policies
The Group's principal financial instruments comprise of cash and cash equivalents, receivables, deposits, accounts and other payables, and loans payable, which arise directly from operations. The main purpose of these financial instruments is to finance the Group's operations.

The significant risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The exposures to these risks and how they arise, as well as the Group's objectives, policies and processes for managing the risks and the methods used to measure the risks did not change from prior years.

The main objectives of the Group's financial risk management are as follows:
- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and,
- to provide a degree of certainty about costs.

The BOD reviews and agrees on policies for managing each of these risks.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either: the inability to sell financial assets quickly at their fair values; the counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Group manages liquidity risk to ensure the continuity of operations and to maintain financial flexibility. The Group's strategy includes proactive approach to cash flow management, whereby the Group conducts comprehensive cash flow forecasting exercises to assess its cash position, debt maturity profile, and overall liquidity position.

In line with this objective, the Group maintains a prudent level of financial assets, carefully planned to finance its ongoing operations and to mitigate the impact of potential cash flow fluctuations. Furthermore, the Group actively manages its capital expenditures, operating expenses, and working capital requirements to ensure they are adequately funded through a combination of cash collections and utilization of available undrawn credit facilities. These liquidity buffers serve as safeguards against unforeseen events or disruptions in cash inflows. The Group also conducts regular reviews of its financial liabilities, obligations, and bank loans maturity profile to ensure the availability of funding through an appropriate mix of credit facilities with financial institutions.

The Group's approach to liquidity risk management, supported by strategic cash flow forecasting and conservative financial practices, maintains the Group's financial stability. By closely monitoring these factors, the Group mitigates potential liquidity risks and optimizes its financial structure while ensuring operational continuity.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at March 31, 2026 and December 31, 2025:

	2026			
	Within 1 year	**1 to 5 years**	**More than 5 years**	**Total**
Accounts and other payables:				
Payable to contractors and suppliers	**₱7,604,501,162**	**₱–**	**₱–**	**₱7,604,501,162**
Retention payable	**327,827,366**	**982,057,540**	**–**	**1,309,884,906**
Accrued expenses*	**312,203,500**	**185,481,468**	**–**	**497,684,968**
Rental deposits	**54,752,473**	**25,589,874**	**–**	**80,342,347**
Others**	**58,228,420**	**–**	**–**	**58,228,420**
Lease liabilities***	**51,351,067**	**18,747,420**	**–**	**70,098,487**
Loans payable***	**12,991,799,823**	**11,603,692,125**	**3,006,653,955**	**27,602,145,903**
Total Financial Liabilities	**₱21,400,663,811**	**₱12,815,568,427**	**₱3,006,653,955**	**₱37,222,886,193**

**Excludes cost to obtain new contracts*
***Others exclude statutory payables*
****Includes future interest payment*

	2025			
	Within 1 year	1 to 5 years	More than 5 years	Total
Accounts and other payables:				
Payable to contractors and suppliers	₱2,344,708,008	₱–	₱–	₱2,344,708,008
Retention payable	329,320,684	945,015,917	–	1,274,336,601
Accrued expenses*	366,168,186	171,817,965	–	537,986,151
Rental deposits	51,987,067	28,240,418	753,801	80,981,286
Others**	55,211,008	–	–	55,211,008
Lease liabilities***	50,940,244	27,374,357	–	78,314,601
Loans payable***	16,648,652,742	11,847,755,589	6,132,655,298	34,629,063,629
Total Financial Liabilities	₱19,846,987,939	₱13,020,204,246	₱6,133,409,099	₱39,000,601,284

**Excludes cost to obtain new contracts*
***Others exclude statutory payables*
****Includes future interest payment*

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risks are primarily attributable to installment contracts receivable, rental receivable and other financial assets. The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis resulting to a manageable exposure to bad debts. Real estate buyers are subject to standard credit check procedures, which are calibrated based on the payment scheme offered. The Group's respective credit management unit conducts a credit investigation and evaluation of each buyer to establish creditworthiness.

Installment Contracts Receivable - Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. In addition, the credit risk for real estate receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject condominium units in case of refusal by the buyer to pay the due installment contracts receivable on time. This risk is further mitigated because the corresponding title to the condominium units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Rental Receivable – Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are being aged and analyzed on a continuous basis to minimize credit risk.

Note Receivable –The credit risk pertaining to the note receivable is mitigated through collateralization facilitated by the Memorandum of Agreement between ALHI and Globeway Property Ventures, Inc. on September 28, 2023. Pursuant to the terms outlined in the agreement, a building situated in Parañaque City, with a total floor area of approximately 20,744 square meters, is designated as collateral. In the event of non-payment for three consecutive quarterly amortizations, the borrower is obligated to assign to the Group the ownership of the collateralized building, along with the accompanying lease right over the land where the building is constructed. This collateral arrangement serves as a safeguard against potential default scenarios.

Other financial assets – comprise of cash and cash equivalents, excluding cash on hand. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

As at March 31, 2026 and December 31, 2025, the Group's maximum exposure to credit risk without considering the effects of collaterals and other credit enhancements follows:

	2026	2025
Cash in banks and cash equivalents	**₱1,943,551,098**	₱1,375,965,746
Receivables and contract assets:		
Receivable from sale of asset	**10,250,000,000**	–
Installment contracts receivable	**3,579,002,452**	4,355,977,719
Note receivable	**354,037,410**	374,108,371
Due from condominium associations	**43,153,351**	45,549,279
Rental receivable	**27,778,906**	24,343,273
Others	**79,905,858**	115,019,765
Deposits	**136,707,681**	139,505,970
	₱16,414,136,756	₱6,430,470,123

The subjected condominium units for sale are held as collateral for all installment contracts receivable. The maximum exposure to credit risk, before considering credit enhancement, from the Group's installment contracts receivable amounted to ₱3,579.00 million and ₱4,355.98 million as at March 31, 2026 and December 31, 2025, respectively. The fair value of the related collaterals amounted to ₱10,228.86 million, and ₱11,138.75 million as at March 31, 2026 and December 31, 2025, respectively, resulting to zero net exposure amounts as at March 31, 2026 and December 31, 2025. The basis for the fair value of the collaterals is the current selling price of the condominium units.

The collections of advance rentals and security deposits amounted to ₱171.97 million and ₱185.94 million as at March 31, 2026 and December 31, 2025, respectively, were higher than rental receivable resulting to zero net exposure as at March 31, 2026 and December 31, 2025.

The maximum exposure to credit risk from the Group's note receivable amounted to ₱354.04 million and ₱374.11 million as at March 31, 2026 and December 31, 2025, respectively, before consideration of the credit enhancement. After consideration of the fair value of the related collateral amounting to ₱1,353.34 million and ₱1,356.53 as at March 31, 2026 and December 31, 2025, respectively, the net exposure amounts resulted to zero. The basis for the fair value of the collateral is latest appraisal valuation report. Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

As at March 31, 2026 and December 31, 2025, the aging analysis of the Group's receivables follows:

		Past due							
	Current	30 days	30-60 days	61-90 days	More than 90 days	Total	Individually impaired	Total
2026								
Installment contracts receivable	**₱3,408,642,877**	**₱35,463,861**	**₱22,185,691**	**₱21,636,838**	**₱91,073,185**	**₱170,359,575**	**₱–**	**₱3,579,002,452**
Receivable from sale of asset	**10,250,000,000**	**–**	**–**	**–**	**–**	**–**	**–**	**10,250,000,000**
Rental receivable	**24,806,484**	**587,006**	**277,449**	**179,379**	**1,928,588**	**2,972,422**	–	**27,778,906**
Note receivable	**354,037,410**	**–**	**–**	**–**	**–**	**–**	**–**	**354,037,410**
Other receivables	**56,115,919**	**1,319,582**	**2,255,945**	**761,500**	**2,249,561**	**6,586,588**	**17,203,351**	**79,905,858**
2025								
Installment contracts receivable	₱4,252,764,579	₱26,545,578	₱18,663,352	₱7,907,042	₱50,097,168	₱103,213,140	₱–	₱4,355,977,719
Rental receivable	21,942,483	316,845	48,298	56,167	1,979,480	2,400,790	–	24,343,273
Note receivable	374,108,371	–	–	–	–	–	–	374,108,371
Other receivables	94,532,125	358,363	140,380	552,448	2,233,098	3,284,289	17,203,351	115,019,765

As at March 31, 2026 and December 31, 2025, the Group has not recognized ECL for its financial assets except for receivables identified as individually impaired under other receivables account.

Interest rate risk
Interest rate risk is the risk that changes in the market interest rates will reduce the Group's current or future earnings and/or economic value. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments.

The table below demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on March 31, 2026 and December 31, 2025, with all variables held constant (through the impact on floating rate borrowings):

	Effect on income before income tax			
	Increase (decrease)			
	March 31, 2026		December 31, 2025	
Change in basis points	**+ 100 basis points**	**-100 basis points**	+ 100 basis points	-100 basis points
Floating rate borrowings*	**(₱66.28)**	**₱66.28**	(₱70.01)	₱70.01

**in millions*

22. Segment Information

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The Group considers the following as its reportable segments:

- Condominium sales - development of high-end condominium units for sale to third parties
- Leasing - office and commercial units and shopping centers for lease to third parties
- Property management - facilities management and professional services covering condominium and building administration
- Hotel operation - management of hotel business operations

The Chief Executive Officer (CEO) has been identified as the chief operating decision-maker (CODM). The CODM reviews the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group does not report results based on geographical segments because the Group operates only in the Philippines.

The CEO separately monitors the operating results of the Group's business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The financial information about the operations of the reportable segments:

	Three-month period ended March 31, 2026					
	Condominium Sales	Leasing	Property Management	Hotel operation	Intersegment Eliminating Adjustments	Total
REVENUE						
Real estate sales	**₱856,542,810**	**₱–**	**₱–**	**₱–**	**₱–**	**₱856,542,810**
Rental income	**–**	**141,437,717**	**–**	**–**	**(40,433,529)**	**101,004,188**
Management fee	**–**	**–**	**23,141,143**	**–**	**(7,217,401)**	**15,923,742**
Hotel operation	**–**	**–**	**–**	**119,407,773**	**–**	**119,407,773**
Interest and other income	**46,479,267**	**6,201,368,743**	**26,035**	**322,973**	**–**	**6,248,197,018**
	903,022,077	**6,342,806,460**	**23,167,178**	**119,730,746**	**(47,650,930)**	**7,341,075,531**
COSTS AND EXPENSES						
Cost of condominium units	**1,488,605,344**	**–**	**–**	**–**	**–**	**₱1,488,605,344**
Hotel operation	**–**	**–**	**–**	**76,190,222**	**–**	**76,190,222**
Selling and administrative	**302,337,433**	**473,879,348**	**21,156,922**	**59,671,290**	**(47,650,930)**	**809,394,063**
	1,790,942,777	**473,879,348**	**21,156,922**	**135,861,512**	**(47,650,930)**	**2,374,189,629**
Earnings before interest and taxes	**(887,920,700)**	**5,868,927,112**	**2,010,256**	**(16,130,766)**	**–**	**4,966,885,902**
Finance costs	**279,479,771**	**–**	**92,425**	**–**	**–**	**279,572,196**
Income (loss) before tax	**(₱1,167,400,471)**	**₱5,868,927,112**	**₱1,917,831**	**(16,130,766)**	**₱–**	**₱4,687,313,706**

	As at March 31, 2026					
	Condominium Sales	**Leasing**	**Property Management**	**Hotel operation**	**Intersegment Eliminating Adjustments**	**Total**
ASSETS						
Cash and cash equivalents	**₱1,132,182,506**	**₱ 52,865,977**	**₱22,102,168**	**₱737,809,139**	**₱–**	**₱1,944,959,790**
Receivables	**4,055,141,601**	**10,268,672,682**	**9,900,597**	**19,040,544**	**(2,230,543)**	**14,350,524,881**
Real estate for development and sale	**15,110,940,735**	**–**	**–**	**–**	**–**	**15,110,940,735**
Noncurrent asset held for sale	**–**	**–**	**–**	**–**	**–**	**–**
Other current assets	**2,188,735,307**	**2,302,226,448**	**24,254,640**	**17,670,632**	**–**	**4,532,887,027**
Property and equipment	**329,807,834**	**33,014**	**43,142**	**7,615,078,470**	**–**	**7,944,962,460**
Investment properties	**–**	**6,708,147,504**	**–**	**–**	**–**	**6,708,147,504**
Other noncurrent assets	**241,857,184**	**27,434,167**	**124,707,860**	**39,509**	**–**	**394,038,720**
	₱23,058,665,167	**₱19,359,379,792**	**₱181,008,407**	**₱8,389,638,294**	**(₱2,230,543)**	**₱50,986,461,117**
LIABILITIES						
Accounts and other payables	**₱9,375,421,492**	**₱2,639,260,549**	**₱121,952,084**	**₱ 10,369,003**	**(₱2,230,543)**	**₱12,144,772,585**
Lease liabilities	**61,797,262**	**–**	**–**	**–**	**–**	**61,797,262**
Customers' advances and deposits	**1,814,652,660**	**75,364,765**	**1,336,875**	**1,280,855**	**–**	**1,892,635,155**
Loans payable	**16,686,785,567**	**4,684,187,340**	**–**	**1,500,000,000**	**–**	**22,870,972,907**
	₱27,938,656,981	**₱7,398,812,654**	**₱123,288,959**	**₱1,511,649,858**	**(₱2,230,543)**	**₱36,970,177,909**

	Three-month period ended March 31, 2025					
	Condominium Sales	Leasing	Property Management	Hotel operation	Intersegment Eliminating Adjustments	Total
REVENUE						
Real estate sales	₱1,519,845,632	₱–	₱–	₱–	₱–	₱1,519,845,632
Rental income	–	144,873,079	–	–	(40,808,287)	104,064,792
Management fee	–	–	20,385,001	–	(7,023,252)	13,361,749
Hotel operation	–	–	–	104,359,903	–	104,359,903
Interest and other income	54,958,730	21,169,036	24,788	354,853	–	76,507,407
	1,574,804,362	166,042,115	20,409,789	104,714,756	(47,831,539)	1,818,139,483
COSTS AND EXPENSES						
Cost of condominium units	₱883,294,751	₱–	₱–	₱–	₱–	₱883,294,751
Hotel operation	–	–	–	65,073,458	–	65,073,458
Selling and administrative	196,605,999	216,802,506	13,691,749	60,095,226	(47,831,539)	439,363,941
	1,079,900,750	216,802,506	13,691,749	125,168,684	(47,831,539)	1,387,732,150
Earnings before interest and taxes	494,903,612	(50,760,391)	6,718,040	(20,453,928)	–	430,407,333
Finance costs	159,772,291	48,176,728	71,632	–	–	208,020,651
Income (loss) before tax	₱335,131,321	(₱98,937,119)	₱6,646,408	(₱20,453,928)	–	₱222,386,682

	As at December 31, 2025					
	Condominium Sales	Leasing	Property Management	Hotel operation	Intersegment Eliminating Adjustments	Total
ASSETS						
Cash and cash equivalents	₱1,197,297,638	₱60,670,258	₱14,599,065	₱104,809,711	₱–	₱1,377,376,672
Receivables	4,834,929,152	48,810,349	13,005,406	40,454,487	(5,187,180)	4,932,012,214
Real estate for development and sale	14,694,397,026	–	–	–	–	14,694,397,026
Noncurrent asset held for sale	–	6,869,589,954	–	–		6,869,589,954
Other current assets	2,231,077,403	177,965,647	62,310,281	13,777,630	–	2,485,130,961
Property and equipment	153,365,067	23,356	60,594	7,326,771,893	–	7,480,220,910
Investment properties	–	6,552,837,404	–	–	–	6,552,837,404
Other noncurrent assets	133,381,064	137,982,734	176,070,128	39,509	–	447,473,435
	₱23,244,447,350	₱13,847,879,702	₱266,045,474	₱7,485,853,230	(₱5,187,180)	₱44,839,038,576
LIABILITIES						
Accounts and other payables	₱4,074,419,101	₱173,008,661	₱222,742,304	₱6,382,622	(₱5,187,180)	₱4,471,365,508
Lease liabilities	72,855,629	–	–	–	–	72,855,629
Customers' advances and deposits	2,369,937,739	110,800,536	1,317,475	10,670,608	–	2,492,726,358
Loans payable	16,472,063,800	10,396,046,809	–	1,499,387,127	–	28,367,497,736
	₱22,989,276,269	₱10,679,856,006	₱224,059,779	₱1,516,440,357	(₱5,187,180)	₱35,404,445,231

Intercompany revenue amounted to ₱47.65 million, ₱47.83 million, ₱202.95 million and ₱207.19 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

Capital expenditures with an aggregate amount of ₱950.90 million, ₱1,297.14 million, ₱4,599.85 million and ₱4,476.13 million the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively, consists of condominium project costs, construction and acquisition cost of investment properties and hotel property, and land acquisitions costs.

Disaggregation of Revenue Information

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different revenue streams and geographical location within the Philippines.

The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Real estate sales and service income

a. Major revenue streams

   Real estate sale pertains mainly to the sale of high-rise condominium units. This sale is revenue from contract with customer recognized over time and generated in the Luzon and Mindanao area.

   Rental income is mainly derived from rental of malls, warehouse spaces and other commercial facilities.

   Management fee, which is recognized over time, represents the service fee for administering the condominiums.

   Hotel operation pertains to room rentals, food and beverage sales, and other ancillary services.

Set out below is the reconciliation of contracts with customers with the amounts disclosed above:

	Three-month period ended March 31, 2026				
	Condominium Sales	**Leasing**	**Hotel operation**	**Property Management**	**Total**
Sales to external customers	**₱856,542,810**	**₱101,004,188**	**₱119,407,773**	**₱15,923,742**	**₱1,092,878,513**
Inter-segment sales	**–**	**40,433,529**	**–**	**7,217,401**	**47,650,930**
Total	**856,542,810**	**141,437,717**	**119,407,773**	**23,141,143**	**1,140,529,443**
Inter-segment eliminations	**–**	**(40,433,529)**	**–**	**(7,217,401)**	**(47,650,930)**
Total revenue from contract with customers	**₱856,542,810**	**₱101,004,188**	**₱119,407,773**	**₱15,923,742**	**₱1,092,878,513**

	Three-month period ended March 31, 2025				
	Condominium Sales	Leasing	Hotel operation	Property Management	Total
Sales to external customers	₱1,519,845,632	₱104,064,792	₱104,359,903	₱13,361,749	₱1,741,632,076
Inter-segment sales	–	40,808,287	–	7,023,252	47,831,539
Total	1,519,845,632	144,873,079	104,359,903	20,385,001	1,789,463,615
Inter-segment eliminations	–	(40,808,287)	–	(7,023,252)	(47,831,539)
Total revenue from contract with customers	₱1,519,845,632	₱104,064,792	₱104,359,903	₱13,361,749	₱1,741,632,076

	For the year ended December 31, 2025				
	Condominium Sales	Leasing	Hotel operation	Property Management	Total
Sales to external customers	₱4,308,435,654	₱445,027,435	₱401,771,827	₱57,018,797	₱5,212,253,713
Inter-segment sales	–	173,190,344	–	29,757,919	202,948,263
Total	4,308,435,654	618,217,779	401,771,827	86,776,716	5,415,201,976
Inter-segment eliminations	–	(173,190,344)	–	(29,757,919)	(202,948,263)
Total revenue from contract with customers	₱4,308,435,654	₱445,027,435	₱401,771,827	₱57,018,797	₱5,212,253,713

	For the year ended December 31, 2024				
	Condominium Sales	Leasing	Hotel operation	Property Management	Total
Sales to external customers	₱4,145,855,894	₱1,009,480,315	₱385,708,191	₱48,816,898	₱5,589,861,298
Inter-segment sales	–	181,133,110	–	26,052,296	207,185,406
Total	4,145,855,894	1,190,613,425	385,708,191	74,869,194	5,797,046,704
Inter-segment eliminations	–	(181,133,110)	–	(26,052,296)	(207,185,406)
Total revenue from contract with customers	₱4,145,855,894	₱1,009,480,315	₱385,708,191	₱48,816,898	₱5,589,861,298

The Group has no revenue from transactions with a single external customer amounting to 10% or more of the Group's revenue.

Hotel operation
Disaggregation of each source of revenue from contracts with customers is presented below:

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Room accommodation	**₱69,543,473**	₱48,897,734	₱192,362,311	₱163,618,635
Food and beverage	**48,374,349**	54,193,214	203,618,850	214,106,338
Others	**1,489,951**	1,268,955	5,790,666	7,983,218
	₱119,407,773	₱104,359,903	₱401,771,827	₱385,708,191

The Group recognizes revenue from room accommodation and services of other operating department of the hotel over time while revenue from sale of food and beverage, souvenirs and others are recognized at a point in time.

Performance obligations
Remaining performance obligations represent the aggregate transaction price allocated to unsatisfied or partially unsatisfied performance obligations under contracts with customers accounted for in accordance with PFRS 15. These amounts pertain primarily to sale of real estate units for which revenue will be recognized over time as construction progresses.

The transaction price allocated to the remaining performance obligations as at March 31, 2026 and December 31, 2025 is as follows:

	2026	2025
Within one year	**₱2,303,184,784**	₱2,255,475,720
More than one year	**2,000,299,492**	2,454,925,171
	₱4,303,484,276	₱4,710,400,891

The amount of revenue recognized that were included in the contract liabilities at the beginning of the year amounted to ₱562.71 million, ₱415.04 million, ₱1,509.84 million and ₱3,737.07 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively.

23. Commitments

Lease Commitments

Group as Lessor
The Group entered into noncancellable lease agreements with third parties covering its investment property portfolio. These leases generally provide for a fixed monthly rental on the Group's warehouse, commercial units, and office spaces. Rent income amounted to ₱101.00 million, ₱104.06 million, ₱445.03 million and ₱1,009.48 million for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024, respectively. Interest expense relating to the accretion of security deposit payable amounted to ₱2.53 million for the year ended December 31, 2024.

Future minimum rental receivable under the noncancellable operating lease as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
One year	**₱121,226,541**	₱104,151,232
After one year but not beyond five years	**175,597,157**	184,530,167
Beyond five years	**82,690,965**	88,948,755
	₱379,514,663	₱377,630,154

Group as Lessee
The Group has entered into noncancellable lease agreements for the rental of its offices and showroom for a period of one to five years and exhibit booths for a period of one to three months. The lease is renewable upon mutual consent of the contracting parties.

The following are the amounts recognized in consolidated statements of comprehensive income:

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Amortization expense of right-of-use assets (Note 9)	**₱10,001,389**	₱10,001,389	₱40,005,558	₱41,734,454
Interest expense on lease liabilities	**1,265,803**	1,881,244	6,710,955	9,101,039
Rental expense (Note 17)	**881,838**	1,091,449	7,386,884	4,347,004
Total	**₱12,149,030**	₱12,974,082	₱54,103,397	₱55,182,497

Rental expense recognized pertains to lease agreements related to short-term leases and leases of low-value assets.

The movements in the lease liabilities as at March 31, 2026 and December 31, 2025 are presented below:

	2026	2025
Balance at January 1	**₱72,855,629**	₱114,659,165
Interest expense	**1,265,803**	6,710,955
Payments	**(12,324,170)**	(48,514,491)
Balance at March 31 / December 31	**61,797,262**	72,855,629
Less noncurrent portion of lease liabilities	**13,647,790**	26,014,862
	₱48,149,472	₱46,840,767

The Group has certain lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business need.

Set out below are the undiscounted potential future rental payments as at March 31, 2026 and December 31, 2025, relating to period following the exercise date of extension options that are not included in the lease term:

	2026	2025
After one year but not more than five years	**₱185,246,689**	₱171,982,308
More than five years	**80,040,919**	93,305,299
	₱265,287,608	₱265,287,607

Shown below is the maturity analysis of the undiscounted lease payments:

	2026	2025
Less than one year	**₱51,351,067**	₱50,940,244
After one year but not more than five years	**18,747,420**	27,374,357
	₱70,098,487	₱78,314,601

24. Earnings Per Share

Basic/diluted EPS amounts attributable to equity holders of the Parent Company for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024 follow:

	Three-month periods ended March 31		Years ended December 31	
	2026	2025	2025	2024
Net income attributable to equity holders of Anchor Land Holdings, Inc.	**₱3,617,548,924**	₱165,833,750	₱315,829,909	₱647,682,316
Less dividends on preferred shares (Note 20)	**6,933,340**	6,933,340	27,733,360	27,733,360
Net income attributable to equity holders of Anchor Land Holdings, Inc. for basic and diluted EPS	**3,610,615,584**	158,900,410	288,096,549	619,948,956
Weighted average number of common shares for basic and diluted EPS	**1,040,001,000**	1,040,001,000	1,040,001,000	1,040,001,000
Basic/diluted EPS	**₱3.47**	₱0.15	₱0.28	₱0.60

The Parent Company does not have potentially dilutive common shares for the three-month periods ended March 31, 2026 and 2025 and for the years ended December 31, 2025 and 2024.

25. Changes in Liabilities Arising from Financing Activities

	January 1, 2026	**Noncash transactions**	**Net cash flows**	**March 31, 2026**
Loans payable	**₱28,367,497,736**	**₱55,890,753**	**(₱5,552,415,582)**	**₱22,870,972,907**
Lease liabilities	**72,855,629**	**1,265,803**	**(12,324,170)**	**61,797,262**
Accrued interest	**109,467,174**	**220,225,853**	**(248,252,710)**	**81,440,317**
Total liabilities arising from financing activities	**₱28,549,820,539**	**₱277,382,409**	**(₱5,812,992,462)**	**₱23,014,210,486**

	January 1, 2025	Noncash transactions	Net cash flows	December 31, 2025
Loans payable	₱24,797,988,607	₱49,247,349	₱3,520,261,780	₱28,367,497,736
Lease liabilities	114,659,165	6,710,955	(48,514,491)	72,855,629
Accrued interest	151,548,775	813,591,653	(855,673,254)	109,467,174
Dividends payable	–	69,333,400	(69,333,400)	–
Total liabilities arising from financing activities	₱25,064,196,547	₱938,883,357	₱2,546,740,635	₱28,549,820,539